

THE

THIRD ANNUAL REPORT

OF

THE CONTRACTOR-GENERAL

1st JAN 1989 TO 31st DEC 1989.

**CONFIDENTIAL**

10-2-01


7th May,

90

Mr Edley Deans  
Clerk To The Houses of Parliament  
Gordon House

Forwarded herewith are original and two (2) copies of the Third Annual Report for the period January - December, 1989, sent in accordance with Section 28 of the Contractor-General Act.

It is required that the report be laid on the Table of the House as soon as possible.

  
John C. Lawrence  
Acting Contractor-General

Encls.



# CONFIDENTIAL

## REPORT OF THE CONTRACTOR-GENERAL FOR THE PERIOD JANUARY, 1989 TO DECEMBER, 1989

(In accordance with Section 28 of the  
Contractor-General Act)

### INTRODUCTION

The enactment of the Contractor-General Act 1983 embodying the role and functions of the Contractor-General is now history. The basic document for the setting up of the appropriate structure prepared by the Administrative Reform Programme unit was in itself a proposal considered adequate to the needs of an office of which there was no parallel in the West Indies or indeed in any of the developed countries. One cannot therefore pattern the organization on any known institution acting in a similar capacity and the original concept of operations of the Contractor-General's Office has had minor changes since 1986 when the office of the Contractor-General became a reality. It is envisaged that as we plan to give effect to the real purpose of the Contractor-General the plan of operations will need to be revised to provide for more effective working.

Already, approval has been received for an additional three (3) members of staff to be employed and it seems clear that in the not too distant future representations will need to be made for additional technical personnel if the office is to impact more forcibly on the large number of government contracts, licences, permits, quotas and warrants.

Work in the area of the monitoring and investigating of permits, licences, quotas and warrants have had to be suspended as the officer who was assigned to this aspect of work was recalled after a period of secondment. It is hoped that this work will be re-commenced as soon as additional staff is recruited. The long awaited approval by the Commission of Parliament on the method of appointment and of the terms and conditions of service for each employee has now been received and already applications for the various posts are being processed with a view to employment of successful candidates.

The role of monitoring as provided in Section 4 of the Contractor-General Act has been somewhat restricted because a decision had to be taken to cease temporary employment of staff including the post of Director of Monitoring when it was known that the Commission of Parliament did not support the method of recruitment. Monitoring the award of government contracts was therefore added to the duties of the Director of Investigations and is being carried out by that directorate until such time as a Director of Monitoring has been recruited. This is expected shortly.

### DIFFICULTIES EXPERIENCED IN COLLECTING DATA

One of the main difficulties experienced in the collection of data on the many projects/contracts is that although the Contractor-General "shall be entitled to be advised of an award" no public body has so far advised him without some formal pressure. This may be due to ignorance of the provisions of the Act but in the majority of cases the impression is created that public bodies have become wary of the Contractor-General's need for these details and his intentions in the use of such details. Consequently, a detailed list of projects for which tenders/contracts are to be invited/awarded are not given the urgency of attention by public bodies and certain projects are deliberately omitted from the submitted list in order to keep them out of the way of the Contractor-General.

A recent drive to collect data on projects which are in the planning stages and also those which are under construction has met with frustration by the inspectors of this office who are engaged in this exercise. Although agreements have been reached with principal officers of the public bodies on a plan to provide the information to be recorded by the Contractor-General's inspectors the difficulties persist. It was agreed that appointments would be made with the project officers by the Contractor-General's inspectors to visit their offices in order to collect and record the data but the project officers/managers have proved elusive and exceedingly difficult to contact.

I find it difficult to escape the conclusion that their actions are deliberate and intended to frustrate the work of the Contractor-General.

However, adequate strategies have been developed to overcome these ploys without resorting to the provisions of Section 29 of the Act which will be used only in exceptional cases.

SOME OBSERVATIONS WHICH ARISE FROM THE ROLE OF MONITORING

It has not been possible up to now to monitor/investigate the award of contracts for projects below \$250,000. This is due to the limited number of staff available for this purpose. It has been established that -

- (1) the majority of such awards are carried out by the maintenance directorate of the Ministry of Construction (Works) [MOC(W)] and the projects are located mainly in the rural parishes.
- (2) to a lesser extent both MOC(W) and the Social Development Commission implement on behalf of Members of Parliament or local caretakers of constituencies such projects which form part of the local development programme; and
- (3) there are a substantial number of such contracts awarded by other public bodies and companies such as JPSCo. Ltd.

I am aware that under (1) above there is political intrigue directed to influence the selection of a contractor by officers of MOC(W) for award of a particular contract. The MOC(W)'s officers in the rural parishes are not obliged to accept the selection of a contractor in this way and can and does sometimes refuse the request by a politician. I submit, however, that MOC(W)'s officers must be free from any political intrigue in the award of contracts so that the officer is free to decide, using his own experience, who is the most capable contractor for the job in hand and the most reasonable price to pay for it.

However, the position changes dramatically in (2) above. Projects under the local development programme and indeed the contractor who is to be employed for their implementation are selected by the politician without due regard for the priority of the project or the competence of the contractor, and the information is passed to the local MOC(W) or other government agency officers for carrying into effect. This procedure is improper by any standard and I question the propriety of the expenditure of public funds in this way.

In 90% of the projects monitored it is evident that the planning of the pre-contract services and the proper management of the implementation of the projects have not been given importance of attention which is so necessary for the successful completion of the contract. The result is that there are large overruns on the contracted time of completion not without the corresponding increase in cost. Neither the contractor nor the supervisory staff appear concerned. In many cases there are no valid reasons for the delay that proper planning could not have prevented and the contractor is normally granted extensions of time when he should have been penalised instead.

All Ministry of Construction (Housing) [MOC(H)] projects which have so far been monitored have been negotiated. Many of these are large housing schemes in the range \$17m - \$50m. The reason given for negotiating these contracts is that such projects are executed by the "systems" method and although there are six (6) or seven (7) such systems contractors in operation their systems differ in some detail. If tenders were invited the evaluation of the tenders would be impossible as a comparison of the tenders would, as it were, be between apples and oranges. This is not strictly true but the details will not be discussed in this report.

The observation which is important is that under the Housing Act the Minister of Housing is a Corporation Sole and as such enjoys extraordinary powers particularly in the award of contracts. In addition, the Ministry of Housing is exempt from the requirements of Circular 43 of 1963 which in a nutshell are the guidelines for inviting tenders for government projects and recommending the award of contracts. The circular was initiated by the Ministry of Finance and approved by the Cabinet. It is in fact a policy directive.

Section 28, sub-section (6) of the Housing Act states "the Minister may engage with any person to carry out the whole or any part of a scheme into effect upon such terms as the Minister may consider expedient". But Section 4 of the Contractor-General Act states, inter alia, "to monitor the award and the implementation of government contracts with a view to ensuring that such contracts are awarded impartially and on merit". The standard/guidelines by which the Contractor-General monitors to ensure impartiality and merit are the normal standards which are used for the tendering process and are clearly different from those by which the Minister under Section 28(6) of the Housing Act negotiates and awards contracts to anyone. Is monitoring by the Contractor-General therefore an exercise in futility?

Taking into account that housing today enjoys a high priority in the scheme of things I am of the view that such powers as are contained in Section 28(6) of the Housing Act are unnecessary except in emergencies.

Further, the Minister is not obliged to submit his proposal to award a contract for a scheme to the Government Contracts Committee [GCC]. The Ministry is exempted as already mentioned. But let us assume that the Ministry was obliged to submit their proposals for the GCC's review and recommendation and the GCC disagreed that a contract should be awarded to a particular contractor, the Minister could still go forward with the project as submitted and ignore the advice of the GCC because he is protected by law. It seems to me pointless to have a government recommendatory body which was given Cabinet support and which could be over-ruled by anyone except the Cabinet.

#### MONITORING OF PROJECTS

I. The attached appendices show briefly that during the period under review twenty-eight (28) projects were monitored to completion. Detailed reports are now being prepared to record the history of each completed project taking into account -

- (i) the merit of the award to the particular contractor;
- (ii) any partiality detected in the award; and
- (iii) the implementation of the contract to conform with the terms thereof.

II. Thirty (30) projects are only partially complete and will need monitoring until completion when a final report will be prepared.

In nearly all the contracts monitored the principle of selecting contractors for tendering, preparing and issuing tender documents which incorporate standard conditions of contract and other instructions and requirements of the tender, evaluating the tender and review and report by the GCC has been followed with various degrees of competence. This procedure is not followed by the MOC(H) as already mentioned. The Ministry of Education, which although exempted from the provisions of Circular 43 of 1963, invite tenders on the basis of the procedure outlined above and have established a contracts committee within the Ministry to review the tendering process and recommend award of contracts to the Minister or the Cabinet as the case may be.

## INVESTIGATION OF COMPLETED PROJECTS

A formal enquiry was conducted into the contract for the construction of the H.E.A.R.T. Academy at Ebony Park, Clarendon. The preliminary report of the investigator had not satisfied the Contractor-General that all was well in the planning and execution of the project. In particular it was contracted for \$9 million and on completion it was shown finally to cost \$18 million. The reasons for a 100% overrun were not clearly established by the preliminary findings.

During the formal enquiry submissions by the Managing Director of H.E.A.R.T. who was represented by her attorney and by the Estate Development Company (EDCo) the consultants, were analyzed and it was found that the main reason for this excessive overrun was due to abnormal variation orders for works outside the scope of the original contract. A Special Report has been sent to Parliament on the matter.

A formal enquiry was conducted into the Eltham Housing Scheme Phase I in Saint Catherine.

The preliminary investigation indicated that there were matters which were not clear and answers to these matters would be required from the Ministry of Housing officers as well as the contractors.

The enquiry was held on the 17th and 18th January, 1990. The Ministry of Construction (Housing) and the contractors were represented by their legal officers.

On the basis of the evidence presented a Special Report has been sent to Parliament.

An investigation into a complaint by Hinds Bros. Limited, a contractor, to the effect that he was invited to tender on five (5) contracts (part of the Ocho Rios/St Ann's Bay water supply project) and that he was the lowest in three (3) of the five (5) and was not successful in being awarded any of these contracts, was carried out and a report made to the principal officer of the public body concerned.

Applied Engineering Limited complained to the Contractor-General that their tender for the supply of pipes and valves for the Ocho Rios/St Ann's Bay water supply project was rejected. This matter was also investigated and a report made to the principal officer of the public body concerned.

An investigation into a complaint by Mr P.J. Patterson to the effect that "public works were being authorised by an unauthorised person namely one Percival LaTouche in Southeast Westmoreland and such works were being implemented by the Ministry of Construction (Works)".

The matter was investigated and a report forwarded to the Permanent Secretary, Ministry of Construction (Works).

Copies of these reports are attached for information.

## WORKSHOP - REVIEW OF PUBLIC SECTOR PROCEDURES

### (a) Its Aims and Objects

The Contractor-General's Office sponsored a one-day workshop in November 1989 to review procedures and institutional arrangements for administering and awarding government contracts. The theme of the workshop, "Revision and Amendments to Existing Contract Procedure", followed the issuing of a position paper by this office to officially publicise our findings in respect of overall contract management and inform the relevant authorities on the glaring need to bring about systemic reform to the ongoing contracting regime.



Since the inception of this office, in 1986, there has been repeated concern expressed over the scale of irregularities, widescale misdemeanors and the by-pass of certain practices and procedures, which are universally applied, to safeguard the public interest. ✓

The workshop attracted a substantial number of invited delegates, representing interests in the building trades, public and private sector organizations, planning and monitoring agencies, statutory bodies and legal representatives from private and government bodies. Among the honoured guests were the Attorney General, the Controller General, the Technical Director of USAID, representatives from the Ministries of Finance, Health, Agriculture, Construction; representatives from Sugar Industry Housing, PAMCO, PIOJ, and overseas lending agencies.

As stated in the Contractor-General's position paper, the objective of the workshop review was not to indict the various public officers involved in the complex business of contract tendering. Instead the workshop set itself the major task of initiating a compelling review of systemic procedures and other related developments affecting the policy and legal framework for the administration of public sector contracts.

Principal attention was laid on the instrument governing the contracting process, namely, the Ministry Circular 43 of 1963 and the administrative and legal limitations of this circular for regulating a contracting process that has since evolved beyond mere government funded activity. The structure today revolves mainly around ministries and statutory bodies, the latter, in most cases, having independent legal status to contract without reference to the Government Contracts Committee. Additionally, contract resourcing has undergone significant modification, wherein overseas lending agencies, in aggregate, contribute on average approximately 70% of the financial input for major ongoing government projects.

(b) Elaborating The Theme With Recommendations From Group Discussions

Four (4) specific areas were identified in the position paper as needing careful examination and comment as outlined below and were addressed by select speakers. These included:-

1. The ethics of public sector contracting
2. Contract resourcing and public sector contract management
3. Legislative and Administrative Ambiguities in the existing regime of public sector contracting, and
4. A survey of contract conditions and tendering methodologies.

These themes were further expanded in workshop sessions from which emerged concrete recommendations respecting:-

1. A new framework for public accountability in public sector contracting
2. The institutionalising of new arrangements for contract management and resourcing
3. Proposals for legislative amendments and reform, and
4. Establishing clear and systematic guidelines for contract tendering and awards that would be applied universally across government departments.

The contributions stemming from the above are being collated for submission to Cabinet for their due consideration.

118

AFFING

The difficulties relating to the staffing situation as outlined in my second Annual Report covering the period 1st October, 1987, to 31st December, 1988, have been partially resolved in that the Commission of Parliament appointed under subsection 13(2) of the Contractor-General Act by the present Government has:

- (i) approved of the remuneration and terms and conditions of service as recommended by this Office and supported by the Ministry of the Public Service; and
- (ii) agreed to the provision of certain additional post also recommended by this Office and supported by the Ministry of the Public Service as under:-

1 Deputy Contractor-General/ Legal Advisor	- In place of 1 Legal Advisor
1 Executive Secretary	- In place of 1 Senior Secretary
1 Public Relations Officer	- New Post
1 Office Manager	- New Post
1 Accountant (FAA II) ]	- In place of 2 Clerks
1 Accounting Clerk (FAA I) ]	
1 Telephone Operator/Receptionist	
2 Watchmen	
2 Part-time Cleaners	

The irony of the situation, however, lies in the fact that whereas the present Commission of Parliament has given its approval as indicated above, the Ministry of Finance has failed to provide the necessary funds, due, I understand, to serious financial constraints, under which the Government has to operate. Hence, the existing position remains virtually unchanged as indicated below:-

<u>Post</u>	<u>Complement</u>	<u>Employed</u>	<u>Vacant</u>	<u>Remarks</u>
Contractor-General	1	1	-	
Deputy Contractor-General/ Legal Advisor	1	-	1	Part-time Consultant employed w.e.f. 19/7/88
Director of Investigations	1	1	-	
Director of Monitoring	1	1	-	
Director of Administration	1	1	-	
Inspectors	6	3	3	
Assistant Inspectors	6	1	5	
Senior Executive Secretary	1	1	-	
Executive Secretary	3	1	2	
Public Relations Officer	1	-	1	
Accountant (FAA IV)	1	1	-	
Senior Secretary	1	-	1	
Office Manager	1	-	1	
Accountant (FAA II)	1	1	-	
Accounting Clerk (FAA I)	1	1	-	
Registrar	1	1	-	
Telephone Operator/Receptionist	1	1	-	
Driver	1	1	-	
Female Office Attendant	1	1	-	
Male Messenger	1	-	1	
Watchman	2	-	2	
Part-time Cleaner	<u>2</u>	<u>-</u>	<u>2</u>	
TOTAL:	39	19	20	

Therefore, what this means, in effect, is that we have only been able to operate at approximately 48% of our full Staff complement since the establishment of this Office.

#### FINANCE & ACCOUNTS

The proposal submitted and the provisions approved for this office in respect of the Financial Years 1988/89 and 1989/90 are as under:-

<u>Financial Year</u>	<u>Amount Requested</u>	<u>Amount Approved</u>	<u>Percentage</u>
1988/89	\$3,038,418	\$1,525,000	50.2
1989/90	3,210,901	1,790,300	55.8

It is abundantly clear from the above that the functions of this Office have been reduced to approximately 50%. This situation was further aggravated by the fact that the monthly Cash Flow requirements were also reduced resulting in a further curtailment of our activities as evinced in the actual expenditure incurred.

Copies of the Auditor General's Report on the Appropriation Accounts in respect of the Financial Years 1987/88 and 1988/89 are enclosed in accordance with the provision of subsection 27(1) of the Act.

#### CONCLUSION

The foregoing records the major activities of the Office of the Contractor-General for the year ended December 1989. It is hoped that the publication of this report will enlighten the readers on the details of the award of Government contracts and the difficulties to be overcome if the Office of the Contractor-General is to satisfy the concept of effecting impartiality and fairplay in the award of Government contracts.

This work could not have been achieved without the cooperation of all the staff and I am grateful for their help and assistance in the work involved.

  
John C. Lawrence  
Acting Contractor-General

7th May, 1990

Investigation of Complaint by Hinds Brothers Ltd.

Re.: Tender Ocho Rios/St. Ann's Bay Water Supply Project —

(1) Basis of Complaint

Hinds Brothers Ltd. complained to the Contractor-General that they were invited to tender on the laying of five (5) sections of the pipeline which is part of the Ocho Rios/St. Ann's Bay Water Supply Project, and at the public opening of tenders they were aware that of all the tenders received they were the lowest in three (3) of the five (5) sections which they tendered for. They have now been advised by the consultants that their tenders have not been accepted and they understand that such a decision emanated from the Government Contracts Committee (G.C.C.). They considered the decision unjust and have accordingly requested the Contractor-General to examine the award with a view to redress such an unjust decision.

(2) The Facts

a) From the very outset there was confusion as to which Public Body was responsible for the project's execution (the executing agent) - especially in the pre-contract stages. The National Water Commission (N.W.C.) under whose portfolio the project properly belongs seems to have been by-passed by others as the text of this report will later show.

It is well-known that large water supply projects are planned and implemented by Carib Engineering Co. Ltd. on behalf of the N.W.C. and on completion the project handed over to the N.W.C. for operation and maintenance. However, at the time the project was conceived, Carib Engineering Co. Ltd. was unable to undertake the work involved because of prior commitments. A decision was taken (it is not clear who took this decision) that P.C.J. Engineering Ltd. should undertake the planning and implementation of the project as at that time there was spare capacity in that organisation. In this sense P.C.J. Engineering Ltd. would act as consultants, their client being the N.W.C. (the executing agent).

b) The Brief

A feasibility study was carried out by P.C.J. Engineering Ltd. and from the results of that study the concept of the project and its requirements were discussed with P.C.J. Engineering Ltd. and the Ministry of Local Government by the N.W.C. The brief to P.C.J. Engineering was as a result of those discussions. So that up to this point N.W.C. was actively involved in the project.

(c) Selection of Contractors to Tender ...



c) Selection of Contractors to Tender

On July 18, 1988, P.C.J. Engineering Ltd. submitted a list of contractors from whom they intended to invite tenders to the Ministry of Local Government and the list was copied to Miss Shirley Williams of the Bureau of Management Support, Office of the Prime Minister, and also to Messrs. J. Thomas and K. Bennett of the N.W.C. The list was finalised by including contractors from three (3) separate lists namely that of Carib Engineering Ltd., that of N.W.C. and that of P.C.J. Engineering Ltd.

There seems to have been no formal reply from the Ministry of Local Government approving the list, but we have been informed that the consultants were verbally instructed by the Ministry of Local Government to add the name of Hinds Brothers Ltd. to be invited to tender.

On the 17th of August, 1988, the consultants were instructed by Miss S. Williams to use a list of contractors given in her letter of even date in which the name of Hinds Brothers Ltd. was included and two (2) contractors who were submitted by the consultants on the original list were omitted. Miss Williams advised the consultants that she had investigated and found that the contractors which were submitted in her letter on the 17th of August, 1988, were qualified to undertake the proposed pipeline installation. This is the first indication of the Bureau of Management Support's input into the project's planning which the investigation has recorded. N.W.C. did not apparently reply to the consultants' letter. P.C.J. Engineering Ltd. proceeded to invite tenders from contractors based on the revised list submitted by Miss Williams, and after tenders were issued the Ministry of Local Government informed the consultants that they had made an error in submitting the name of Hinds Brothers Ltd. and requested instead that the firm of Hinds Brothers 1972 Ltd. should be invited to tender. The instruction was carried out by P.C.J. Engineering Ltd.

d) Opening of Tenders and Evaluation

Tenders were publicly opened and after the evaluation of the offers the consultants recommended that:-

- (i) Solid Engineering Ltd. be awarded contracts on the basis of their tenders for sections identified as C.S.02 and C.S.03;
- (ii) Hinds Brothers Ltd. be awarded contracts on the basis of their tenders for sections identified as C.S.04 and C.S.05;
- (iii) G & L Engineering Associates Ltd. be awarded a contract on the basis of their tenders identified as C.S.06.

The report on tenders was forwarded to Miss S. Williams of the Bureau of Management Support by P.C.J. Engineering Ltd. for "consideration and advice" and copied to Mr. E. Miller, Permanent Secretary, Ministry of Local Government and Messrs. Jerome Thomas and Karl Bennett of the N.W.C.

/Miss Williams ...

Miss Williams has not apparently replied to P.C.J. Engineering Ltd. but, Mr. Miller instructed a Miss Reid who is a member of his staff that support be given the recommendation by P.C.J. Engineering and the papers forwarded to the G.C.C. The G.C.C. on reviewing the tender report supported the recommendation of P.C.J. Engineering that contracts be awarded to Solid Engineering Ltd. for the sections identified, C.S.02 and C.S.03. They however, requested verification of the capabilities and the other contractors namely:-

Hinds Brothers Ltd. and

G & L Engineering Associates Ltd.

On submission of the information to the G.C.C. they recommended that a contract be awarded to G & L Engineering Associates Ltd. for section C.S.06 and that sections C.S.04 and 05 be re-tendered using specialists in the field of pipe laying because, Hinds Brothers Ltd. to whom the sections C.S.04 and C.S.05 were recommended by the consultants for an award "did not complete any pipeline project to-date." Hinds Brothers Ltd. on being advised of this decision complained to the Contractor-General to redress this unjust decision.

The Permanent Secretary in the Ministry of Local Government on being notified of the G.C.C. decision contacted the management of N.W.C. and requested a review of the list of contractors to tender on sections C.S.04 and 05. Two (2) names were submitted by the Deputy Chairman of N.W.C. namely:-

G & L Engineering Ltd. and

Edwards Construction Co. Ltd.

Despite the recommendation by the G.C.C. to have the said sections re-tendered the Minister of Local Government decided that the contracts be NEGOTIATED with G & L Engineering Ltd. and Edwards Construction Co. Ltd. This decision was by letter reference E1159/S39<sup>II</sup>, dated 19th January, 1989, signed Bewin L. Lewis for Permanent Secretary, Ministry of Local Government.

### (3) Observations (Findings)

This complaint should not have arisen had the N.W.C. (the client) asserted their rights to be the Body authorised to review and direct the consultants on all phases of the pre-contract services. As it was, this right was usurped by others namely the Permanent Secretary, Ministry of Local Government and the Bureau of Management Support, Office of the Prime Minister. The Bureau of Management Support was obviously given the authority to direct the consultants to use a modified list of contractors other than that recommended by the consultants.

/In the ...

In the letter to the consultants, Miss Williams writes:-

"Please be advised that I have investigated and found the following contractors qualified to undertake the proposed pipeline installation

x x x x x x x x x x x x x x x x x x

Kindly therefore use this list of contractors for tender on the pipeline."

The original list of contractors was forwarded to the Permanent Secretary, Ministry of Local Government by the consultants and copied to the Bureau of Management Support and N.W.C. There is no record of the Permanent Secretary having officially replied to the consultants but, we have been able to determine that the consultants were verbally advised by the Ministry of Local Government to add the name of Hinds Brothers Ltd. The N.W.C. remained silent on the matter. The modified list was submitted to the consultants by Bureau of Management Support in which the name of Hinds Brothers Ltd. was added and the names of two (2) experienced contractors omitted. This action was typical of the style and vindictiveness of the politician.

It is instructive to examine how it was that the Bureau of Management Support came to be involved in a project of this nature. This Body was directed to "fast-track" the project which is understood to mean that the Bureau of Management Support, Office of the Prime Minister would monitor the progress of the project and ensure that there were no bureaucratic delays which would hinder the 'fast' movement of activities leading to the project's completion in the stated period. This may well entail by-passing the normal channels by which the bureaucracy operates. It is well-known that the Prime Minister, Mr. Seaga took personal interest in this project and therefore all instructions emanating from this Body could have been the direct instruction of that Prime Minister. However, such instructions as were conveyed to the consultants bore no sign of an instruction from the Prime Minister and could therefore only be interpreted as coming from a Body which is not known in engineering circles and are therefore not recognised as having any technical knowledge especially that which is needed to monitor projects of this magnitude. On this basis, the Bureau of Management Support is viewed as nothing more than an imposter, masquerading as though they were endowed with technical knowledge to which they had no claim whatsoever.

The arrogance, the vindictiveness of this unknown Body has been the major cause of what has now turned out to be a questionable recommendation by the G.C.C.

/If the ...

If the name of Hinds Brothers Ltd. had not been added to the list of contractors the matter would not likely have become the subject of an investigation and thus, present Hinds Brothers Ltd. the material with which to file a suit against the Government/N.W.C.

In the review of the tender report by the G.C.C. they rejected the recommendation of the consultants to award contracts C.S.04 and C.S.05 to Hinds Brothers Ltd. on the basis that "Hinds Brothers Ltd. had not completed any pipeline projects to-date." They therefore advised that the said contracts be re-tendered using specialist contractors in this field.

On the face of it the recommendation by the G.C.C. would appear to have some merit but, it is too late to disqualify this tenderer on the basis that "Hinds Brothers Ltd. has not completed any pipeline projects to-date." To do so would be to sacrifice principle in order to reach a recommendation of this sort. If there is to be this disrespect for principle in the deliberations of the G.C.C. then there is no need for the rules and/or principles which guide such deliberations and subsequent recommendations for an award of contract and may as well be based on a whim or fancy as the G.C.C. decides.

Hinds Brothers could argue with conviction that they were selected to tender and won the tender by satisfying all the conditions of tendering, and in accordance with the rules of selective tender any tenderer so selected is considered capable of carrying out the project otherwise he should not have been selected. Further, in such a case one is in duty bound to award a contract to that tenderer. To be told at this late stage that we are not qualified to carry out the work is to make a mockery of the principles involved in selective tendering and it is our intention to take legal action against the Government and/or N.W.C. to recover damages for losses incurred in the process. This action by Hinds Brothers Ltd. could not be faulted. The G.C.C. has no option in the circumstances if they are satisfied with the evaluation of the tenders by Hinds Brothers Ltd. but, to recommend an award to that firm despite their conceived error of selecting the firm, and indicate that the rules did not allow disqualification because of the information which has now come to light.

At any rate the firm (Hinds Brothers Ltd.) would be required to provide a Performance Bond which protects the employer against any lack of satisfactory performance.

#### (4) Recommendations

It is recommended that:-

- (1) all Public Bodies engaged in the planning and implementation of Government contracts should ensure that they are familiar with the monitoring of consultants work. Public Bodies which are non-technical should obtain advice from the G.C.C. If necessary a project manager may be appointed to act on behalf of the Public Body (the client) on matters of this nature;
- (2) a formal agreement should be executed between the Public Bodies concerned and the consultants setting out the terms of reference to the consultants including if necessary his scale of fees. The agreement should clearly state the procedure to be followed by the consultants during the pre-contract stage, and should state the contact within the Public Body (e.g. the project manager) from whom any information is required by the consultants and all other matters which require attention of the said contact including the report on tenders. The G.C.C. can also advise non-technical Public Bodies on this matter;
- (3) politicians should desist from interfering in technical matters as by their interference a principle is nearly always compromised to the detriment of the correct decisions to be made. It is clear that in the instant case the modified list of contractors carried political overtones which could now well result in substantial sums of money to be paid to Hinds Brothers Ltd. for a fraction of the work which is entailed in the completion of the said contracts for which they were recommended by the consultants.

Public Bodies should never give up their rights to anyone despite political pressures and should seek legal advice whenever such rights are threatened.

*Lawrence,*  
*Dir. of Investigations,*  
*1<sup>st</sup> May 89*



42

INVESTIGATION OF COMPLAINT BY  
APPLIED ENGINEERING LIMITED  
RE: TENDER FOR THE SUPPLY OF PIPES, FITTINGS  
& VALVES - OCHO RIOS/ST ANN'S BAY  
WATER SUPPLY PROJECT

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1. 'BASIS OF THE COMPLAINT'

Applied Engineering Limited has complained to the Contractor-General that they were invited to tender by Petroleum Corporation of Jamaica Engineering Limited for the supply of pipes, fittings and valves for the Ocho Rios/St Ann's Bay Water Supply Project, and at the public opening of tenders, their tender in the amount of \$1,513,964.59 was the lowest. The second lowest tender was \$1,628,218.00, a difference of \$114,253.41.

They further maintained that although modified tenders were invited by the client and opened privately, their modified tender figure, by making assumptions and then by calculation must have been some \$35,000.00 lower than the second lowest tender figure. They have since received a letter from PCJ Engineering Limited regretting that their tender was not accepted. They (Applied Engineering Limited) have therefore requested the Contractor-General to investigate the criteria used by PCJ Engineering Limited to evaluate the tender as by all accounts, they should have been awarded the contract.

2. 'THE FACTS'

(a) Review of Tender Documents & Its Requirements

Although the tender document was not strictly in accordance with known professional standards, especially when inviting tenders overseas, there were certain important conditions which tenderers should have taken due notice of. They are:-

- i. Delivery periods not to be exceeded:- pipes and fittings 12 weeks; valves 15 weeks;
- ii. Tenderer to state in his offer, binding delivery period CIF Montego Bay;
- iii. "Each day in excess of the period stated in the tender will be penalised with 0.25% of the Ex works value of the contract";
- iv. "Tenderers quoting longer delivery times than those stated above may be penalised in the evaluation";
- v. In submitting their tenders, tenderers unconditionally agree to abide by the decision of PCJ Engineering Limited as final and binding and not subject to any recourse or appeal.

(b) Receipt & Opening Of Tenders

Tenders were opened publicly and the following are the lowest four (4) offers:-

i. Applied Engineering Limited	US\$1,513,964.51
ii. Macsim Limited	US\$1,628,218.00
iii. Multi Tec	US\$1,672,380.49
iv. Cornwall Agencies	US\$1,786,563.21

(c) Review of Tenders - First Submission

On reviewing the tenders, PCJ Engineering Limited found the following discrepancies in the tender by Applied Engineering Limited:-

- i. Applied Engineering Limited did not offer PVC pipes as specified in the schedules accompanying the tender document but offered Ductile Iron pipes instead;

- ii. Their delivery schedules showed 15 weeks delivery for valves and 12 - 16 weeks for pipes and fittings;
- iii. They omitted to submit "Power of Attorney or legal status" as required by the tender document;
- iv. The second lowest tenderer, Macsim offered PVC Pipes as specified.

(d) Decision To Invite Modified Tender - Second Submission & Opening

The client decided after the review of tenders in the first instance, to invite modified tenders from the same suppliers by changing some sizes of pipes and fittings, but the major change was substitution of Ductile Iron Pipes for PVC Pipes of the same diameter and quantity as shown on the appropriate schedule. The lowest two (2) tenders received were:-

- |                                |                  |
|--------------------------------|------------------|
| 1. Applied Engineering Limited | US\$1,586,219.00 |
| ii. Macsim Limited             | US\$1,586,671.00 |

a difference of \$452.00 above the Applied Engineering Limited' figure.

(e) Evaluation Of Modified Tenders

During the evaluation, the following was noted:-

- i. Macsim's delivery schedule conformed to the requirements of the tender document, i.e., delivery of pipes and fittings - 12 weeks, delivery of valves - 15 weeks;
- ii. Applied Engineering Limited gave delivery of pipes and fittings 12 - 16 weeks and valves 15 weeks;
- iii. The decision by the client to award the contract to Macsim is contained in the following:-

"Although Applied Engineering Limited has offered the lowest cost, the delivery times of 12 - 16 weeks are considered critical if the project is to meet the completion schedule and the price difference of \$452.00 does not outweigh the shorter delivery time of Macsim.

Also, on completion of the final engineering design, it is anticipated that the quantity of valves required will be increased and Macsim quoted unit rates for valves significantly lower than those for Applied Engineering Limited. It is therefore recommended that Macsim be selected as the supplier of D/I pipes and valves for Phase I of the project".

3. OBSERVATIONS OF THE CONTRACTOR-GENERAL

- a) Inherent in the conditions of tendering was the inference that 'time was of the essence'. Although this is not spelt out, there are indications given in the tender document, e.g., tenderers to state in their offer, binding delivery periods; delivery periods not to be exceeded; each day in excess of delivery period will be penalised, etc.
- b) The client could have given more prominence and clarity to this aspect of the tender so that tenderers could have been more aware of the implications of not complying with the given delivery period.
- c) The Clause - "In submitting tenders, tenderers unconditionally agree to abide by the decision of PCJ Engineering Limited as final and binding and not subject to any recourse or appeal" is contradictory to the principles to be

used in an evaluation of selective tenders. Inherent in the clause is the authority to award a contract to any tenderer, and such a decision is not subject to any recourse or appeal. But the method of tendering was selective and the decision to award the contract must be an objective one, i.e., to the tenderer offering the best price and complying with the conditions of the tender. This must be so, since the tenders are competitive and in an evaluation of any competition, to determine the winner, the proper and just decision can only be reached by complying with the rules of the competition - in this case to the lowest and most responsive tender.

- d) Applied Engineering Limited in formulating their complaint, assessed their tender figure as being \$114,253.41 lower than the next lowest tender when the tenders were first submitted and publicly opened. They further estimated that their second tender must have been \$35,000.00 lower than the second lowest tenderer (although these tenders were opened privately and the figures were not known to them). Both assessments were wrong. In the first case, they (Applied Engineering Limited), offered Ductile Iron Pipes for an item in place of PVC Pipes which were specified. The second lowest tenderer offered PVC Pipes as specified. Both tenderers were therefore not tendering on the same material and therefore no comparison could be made. In their second offer, their tender figure was \$1,586,219.00 against the tender figure of \$1,586,671.00, a difference of \$452.00 as compared to \$35,000.00.
- e) Although the tender document specifically stated that delivery periods for pipes should not exceed 12 weeks, and the concomitant penalty if this was done, Applied Engineering Limited offered 12 - 16 weeks - an uncertain period of delivery.

#### 4. CONCLUSIONS & RECOMMENDATIONS

From the foregoing, it is clear that the complaint by Applied Engineering Limited is not warranted. Although their modified tender figure was less than that of the second lowest tender, they had not complied with the vital portion of the tender which was the delivery period for pipes. The client had therefore acted properly and in the interest of all concerned by awarding the contract to the second lowest tenderer.

In inviting tenders for materials and equipment, especially when such materials and equipment must be procured overseas, it is always useful to request alternative tenders from the suppliers. There have been many instances when alternative tender satisfies the requirement(s) of the given tender at less cost to the employer (client).

Suppliers should further be instructed that the given tender must be completed without any modification or qualification and any alternative tender submitted in a separate envelope marked "Alternative Tender" etc. This tender should only differ from the given tender in the specification and price offered, it having been agreed that the supplier is bound by the conditions of the contract in the given tender and any other requirement(s).

Other information such as the supply of any brochures of plant or equipment, delivery times, test certificates, etc., should be requested.

The given tender should be evaluated first and a decision reached, using the appropriate criteria. The alternative tender should be evaluated next, and a decision made accordingly, using the results of the given tender and the alternative tender.



Report by the Director of Investigations and Inspector  
in Contractor-General's Office re complaint by  
the Honourable P.J. Patterson

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We undertook to inspect further the complaint by the Honourable P.J. Patterson regarding items of completed work which were part of a programme of work initiated by Mr. LaTouche in order to establish inter alia if the country was getting value for money spent.

To this end, an inspection of work actually completed was carried out on three (3) selected items at random. They were all for the resurfacing of Parish Council roads in South East Westmoreland.

Our findings are as follows :-

- (1) CONTRACT FOR THE RESURFACING OF THE HOPEWELL - DARLISTON ROAD  
JEAN TOMLINSON - CONTRACT SUM \$9,000.00 (600 sq. yds. @ \$15.00 per sq. yd.)

The rate of \$15.00 per sq. yd. was for the supply of all materials and labour to do the work, including transportation charges over fairly long distances. This is a reasonable rate for the job. However, on measuring the finished work only 470 sq. yds. could be accounted for - a difference of 130 sq. yds. The contractor has been fully paid for 600 sq. yds. and therefore over-paid \$1,950.00. The standard of workmanship and the quality of materials used appeared acceptable.

- (2) CONTRACT FOR RESURFACING 53 CHAINS (3,498 ft.) OF CAIRN CURRAN  
PARISH COUNCIL ROAD - CONTRACT SUM \$135,000.00 - DERRICK SMALLING

It has been established by measurement that the amount of work so far completed totalled 3,712 sq. yds. instead of the 5,830 sq. yds. given in the contract papers. The Public Works officers have advised that the contractor was instructed to cease work on instructions from M.O.C.(W) Head Office and no payment had yet been made to him. The rate for the work is reasonable in view of long haulage of materials. The standard of workmanship and the quality of materials used are above average.

- (3) CONTRACT FOR 3,080 SQ. YDS. OF RESURFACING GROVE PARISH COUNCIL ROAD  
INCLUDING 534 SQ. YDS. OF PATCHING A FEW SMALL WEAK AREAS OF THE ROAD  
DUE TO FAILURE OF THE BASE - CONTRACT SUM \$72,000.00 - LEO PARCHMENT

The immediate impression was that the workmanship was poor and the quality of materials used questionable. The finished product was the result of work rejected and re-done.

It was disclosed by measurement that 2,581 sq. yds. were completed instead of the 3,080 sq. yds. contracted for. The contractor was, however, fully paid for 3,080 sq. yds., plus the cost of patching small areas already mentioned. The quantities for the patching were approximately correct.

COMMENTS

- a. We understand that Mr. Parchment is a businessman - the operation of a gas station being his major activity. As we were given no evidence of Mr. Parchment's technical road building qualifications we conclude that he would not be competent to undertake the contract satisfactorily. Yet he was awarded the contract and was fully paid. The poor quality of workmanship is directly attributable to this indiscretion resulting in a waste of public funds.
- b. It is obvious that more supervision and checking of works by the superintendent in charge of an area is necessary to counteract any impropriety by unscrupulous Works Overseers who may "pad" the quantities contracted for in order to benefit therefrom by arrangement with the contractor. This could be a difficult task in the light of the insufficiency of qualified staff. Nevertheless the Superintendent should be alive to things of this nature and undertake surprise spot checks to satisfy himself within reason especially when large quantities of public funds are to be paid out.

- c. We were advised that the Works Overseer who was in charge of all three (3) projects has recently been transferred. Public Works Department (PWD) officers were reluctant to give the reasons for his transfer and we did not consider it prudent to press the matter.
- d. It is now open to conjecture from the results of the checks carried out on the three (3) items of work as to how many more items of the fifty-one (51) so far completed from the now infamous LaTouche programme have similar irregularities and improprieties.

It is interesting to note that during an interview with P.W.D. officers on 15th December, 1988, we were advised that -

"there was no intention to award a contract to one Derrick Smalling for resurfacing the Cairn Curran road".

It has now been established from our visit of 22nd March, 1989, that a contract was signed on 28th November, 1988, with the said Derrick Smalling to asphalt 53 chains of Cairn Curran road for a total amount of \$135,000.00.

The failure on the part of the P.W.D. officers to supply full and correct information may be interpreted as resulting from collusion in whatever irregularities/inherent in the award of the contract or that there were fears of possible political victimisation..

We are of opinion that the situation justifies a censorious report under Section 20 of the Act.

.....*John C. Lawrence*.....  
 John C. Lawrence  
 Director of Investigations

.....*Lauriston Wilson*.....  
 Lauriston Wilson  
 Inspector

CONTRACTOR-GENERAL'S OFFICE

MONITORING OF POST-CONTRACT SERVICES : MONITORING OF PRE-CONTRACT SERVICES ALREADY REPORTED ON 31.12.88

1

REVIEW OF WORK DONE TO 31.12.89

PUBLIC BODY	PROJECT DESCRIPTION	CONTRACT AMOUNT OR ESTIMATED COST	STATUS OF PROJECT	ACTION TO DATE	REMARKS
MINISTRY OF HEALTH  (M.O.H.)	Conversion of Isaac Barrant Hospital to a polyclinic by carrying out extensions, alterations and refurbishing existing buildings.  <u>Contractor:</u> B & B Construction Ltd	J\$1.4 million G.O.J. ...25% U.S. A.I.D. 75%	Project 95% complete	Reviewed:  Progress of Work	Work commenced on November 1988, for completion in July 1989. The contract is now approximately seven (7) months overdue and although all buildings are completed there are still defective sewer lines which are to be replaced with new ones.  The total expenditure to 1.8.89 is \$1.615 m and completion is not expected before the end of February 1990.  Contract Amount \$1.4 million Variations and damage due to hurricane Gilbert \$0.98 "  Estimated Completion Cost \$2.38 million

CONTRACTOR-GENERAL'S OFFICE

MONITORING OF POST-CONTRACT SERVICES : (MONITORING OF PRE-CONTRACT SERVICES ALREADY REPORTED ON 31.12.88)

1

REVIEW OF WORK DONE TO 31.12.89

PUBLIC BODY	PROJECT DESCRIPTION	CONTRACT AMOUNT OR ESTIMATED COST	STATUS OF PROJECT	ACTION TO DATE	REMARKS
Ministry of Education  Consultant: Estate Development Company	Group III Primary Schools Building Programme - consisting of 13 schools	JA\$70 million  Partially financed by the Inter-American Development Bank (IADB)	Projects under implemen- tation	Monitor post contract activities. Inspection of documents available for reports.	See attached sheets of individual projects for continuation of monitoring.

PUBLIC BODY	PROJECT DESCRIPTION	CONTRACT AMOUNT OR ESTIMATED COST	STATUS OF PROJECT	ACTION TO DATE	REMARKS
	<p>Tweedside 200 pupil school - Clarendon</p> <p>Contract period 9 months</p> <p>Commenced March 28, 1988.</p> <p>Contractor: Armour Metal Fencing Construction</p>	JA\$1.53 million	Practical completion pending	<p>Reviewed -</p> <p>Problems in the execution of the works.</p> <p>Contractors performance.</p> <p>Extension of time</p> <p>New completion date</p> <p>Remedial work</p>	<p>The contractor experienced some problems in acquiring skilled labour force.</p> <p>Hurricane Gilbert and the associated problems of material shortages after resulted in construction activities to be scaled down for a short period. However the contractor's performance after the sluggish period never showed any significant improvement over an extended period even though the records of Edco's site representative showed that no significant problems affected the execution of the works.</p> <p>Four(4) months extension of time was granted after an assessment of the contractor's claim. It is clearly evident now that the new date, April 27, 1989, for completion of the works was beyond the contractor's capabilities. The contractor's lack of responsibilities to remedy defects in June 1989 to achieve practical completion is clear signal of his incompetence.</p> <p>Edco's letter four (4) months later reminded the contractor of his obligation and mentioned liquidated damages to be imposed under the conditions of the contract.</p>

MONITORING OF POST-CONTRACT SERVICES : MONITORING OF PRE-CONTRACT SERVICES ALREADY REPORTED ON 31.12.88

3

4/...

MONITORING OF POST-CONTRACT SERVICES : MONITORING OF PRE-CONTRACT SERVICES ALREADY REPORTED ON 31.12.88

REVIEW OF WORK DONE TO 31.12.89

5/100

CONTRACTOR-GENERAL'S OFFICE

MONITORING OF POST-CONTRACT SERVICES : MONITORING OF PRE-CONTRACT SERVICES ALREADY REPORTED ON 31.12.88

REVIEW OF WORK DONE TO 31.12.89

5

PUBLIC BODY	PROJECT DESCRIPTION	CONTRACT AMOUNT OR ESTIMATED COST	STATUS OF PROJECT	ACTION TO DATE	REMARKS
	Chalky Hill 300 pupil school - St. Ann (contd.)			Examined -  Payment Certificate # 11 November 9, 1989.  	

6/...



MONITORING OF POST-CONTRACT SERVICES : MONITORING OF PRE-CONTRACT SERVICES ALREADY REPORTED ON 31.12.88

6

71...

PUBLIC BODY	PROJECT DESCRIPTION	CONTRACT AMOUNT OR ESTIMATED COST	STATUS OF PROJECT	ACTION TO DATE	REMARKS												
	Kellits 800 pupil school - Clarendon (contd.)			<p>Contractor's activities and delays of the project (contd.)</p> <p>Reviewed -</p> <p>Extension of time</p> <p>Examined -</p> <p>Payment Certificate # 6 dated August 15, 1989.</p> <p>Progress Report</p>	<p>his peak period for performance never improved over the slow period, even though the site representative urged him to concentrate his activities in certain areas.</p> <p>With the problems the contractor experienced including the effects of Hurricane Gilbert a request for 22 weeks extension was reduced by Edco who granted 17 weeks after an assessment of the time lost. The contract was subsequently extended to October 4, 1989. If liquidated damages is contemplated by the agency the information on this could not be ascertained from the files.</p> <table><tr><td>Measured work completed</td><td>\$1,620,224.00</td></tr><tr><td>Materials on site</td><td>190,955.00</td></tr><tr><td>Fluctuations -</td><td></td></tr><tr><td>Material</td><td>52,000.00</td></tr><tr><td>Labour</td><td>30,000.00</td></tr><tr><td>Gross value of contractor's work</td><td>\$1,893,179.00</td></tr></table> <p>Work continues at a slow pace.</p> <p>8/...</p>	Measured work completed	\$1,620,224.00	Materials on site	190,955.00	Fluctuations -		Material	52,000.00	Labour	30,000.00	Gross value of contractor's work	\$1,893,179.00
Measured work completed	\$1,620,224.00																
Materials on site	190,955.00																
Fluctuations -																	
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Labour	30,000.00																
Gross value of contractor's work	\$1,893,179.00																

9/...

CONTRACTOR-GENERAL'S OFFICE

MONITORING OF POST-CONTRACT SERVICES : MONITORING OF PRE-CONTRACT SERVICES ALREADY REPORTED ON 31.12.88

REVIEW OF WORK DONE TO 31.12.89

9

PUBLIC BODY	PROJECT DESCRIPTION	CONTRACT AMOUNT OR ESTIMATED COST	STATUS OF PROJECT	ACTION TO DATE	REMARKS														
	Pondside 200 pupil school - St.Elizabeth (contd.)			<p>Reviewed -</p> <p>Extension of time and examined differences between Edco and the contractor re practical completion of works (contd.)</p> <p>Examined -</p> <p>Payment Certificate # 12 dated July 12, 1989.</p> <p>Progress Report</p>	<p>Edco's claim which is substantiated by documentary evidence showed that a list of defects were issued to the contractor August 17, 1989, for remedial work to be done prior to inspection to certify practical completion of the works.</p> <p>It is a clear case that practical completion could not have been achieved until late August and in fact the date for practical completion is December 22, 1989.</p> <table><tr><td>Measured work completed</td><td>\$2,130,795.12</td></tr><tr><td>Material on site</td><td>77,510.00</td></tr><tr><td>Fluctuations:</td><td></td></tr><tr><td>    Material</td><td>214,674.75</td></tr><tr><td>    Labour</td><td>100,000.00</td></tr><tr><td></td><td><hr/></td></tr><tr><td>Gross value of contractor's work</td><td>\$2,422,979.87</td></tr></table> <p>Variation Orders included in the measured work amount to \$226,967.38.</p> <p>Latest information indicated that the project was handed over to the client December 22, 1989.</p> <p>10/...</p>	Measured work completed	\$2,130,795.12	Material on site	77,510.00	Fluctuations:		Material	214,674.75	Labour	100,000.00		<hr/>	Gross value of contractor's work	\$2,422,979.87
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Fluctuations:																			
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Gross value of contractor's work	\$2,422,979.87																		

CONTRACTOR-GENERAL'S OFFICE

MONITORING OF POST-CONTRACT SERVICES : MONITORING OF PRE-CONTRACT SERVICES ALREADY REPORTED ON 31.12.88

10

REVIEW OF WORK DONE TO 31.12.89

PUBLIC BODY	PROJECT DESCRIPTION	CONTRACT AMOUNT OR ESTIMATED COST	STATUS OF PROJECT	ACTION TO DATE	REMARKS
	<p>Duhaney Park 500 pupil school - St. Andrew</p> <p>Contract period 10 months</p> <p>Commenced April 18, 1988</p> <p>Contractor: Tankweld Ltd</p>	\$2.028 million	Practical completion pending	<p>Reviewed -</p> <p>Information on Performance Bond and Insurance.</p> <p>Activities of the project, quality of work and the contractor's performance.</p>	<p>The contractor failed to provide a Performance Bond and Insurances for approximately three (3) months after the signing of the contract which restricted the commencement of building activities even to the point when the contractor was allowed to take possession of the site the securities were still outstanding. This is confirmed in a letter dated May 16, 1988.</p> <p>The construction activities commenced amidst doubts regarding the employment of a labour force supportive of either one of the major political parties. Agreement was finally reached on the employment of the labour force, but during this period the contractor's pace of activities was extremely slow and Edco severely warned the contractor of poor performance as well as the poor quality of work which had to be restored at the contractor's expense. Following Hurricane Gilbert which further disrupted the building activities the Election in February resulted in a total shut down of the project in March 1990. The contractor documented his decision to close the site but Edco replied pointing out that it was the contractor's responsibility to have adequate security at all times during the building activities. Following the re-opening of the site the contractor's performance never improved, and the slow rate of progress paints a dismal picture of future contracts in volatile areas.</p>

CONTRACTOR-GENERAL'S OFFICE

MONITORING OF POST-CONTRACT SERVICES : MONITORING OF PRE-CONTRACT SERVICES ALREADY REPORTED ON 31.12.88

11

REVIEW OF WORK DONE TO 31.12.89

PUBLIC BODY	PROJECT DESCRIPTION	CONTRACT AMOUNT OR ESTIMATED COST	STATUS OF PROJECT	ACTION TO DATE	REMARKS												
	Duhaney Park 500 pupil school - St. Andrew (contd.)			<p>Reviewed -</p> <p>Extension of time and application of liquidated damages.</p> <p>Examined -</p> <p>Payment Certificate # 6 dated September 6, 1989.</p> <p>Progress Report</p>	<p>Edco granted the contractor an extension of eleven (11) weeks for the problems which he encountered although the contractor submitted a claim for fourteen (14) weeks. The new date April 5, 1989, for completion of the contract was never achieved, and there is no information regarding the application of liquidated damages.</p> <table><tr><td>Measured work completed</td><td>\$1,394,377.14</td></tr><tr><td>Fluctuations -</td><td></td></tr><tr><td>Material</td><td>3,000.00</td></tr><tr><td>Labour</td><td>27,000.00</td></tr><tr><td></td><td><hr/></td></tr><tr><td>Gross value of contractor's work</td><td>\$1,424,377.14</td></tr></table> <p>A sum of \$40,000 is included as advance on variations.</p> <p>Latest information showed project 95% complete.</p>	Measured work completed	\$1,394,377.14	Fluctuations -		Material	3,000.00	Labour	27,000.00		<hr/>	Gross value of contractor's work	\$1,424,377.14
Measured work completed	\$1,394,377.14																
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Material	3,000.00																
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CONTRACTOR GENERAL'S OFFICE  
REVIEW OF WORK DONE TO 31.12.89

PUBLIC BODY	PROJECT DESCRIPTION	CONTRACT AMOUNT OR ESTIMATED COST	STATUS OF PROJECT	ACTION TO DATE	REMARKS
Ministry of Justice	Caribbean Justice Improvement Project (C.J.I.P.)-Renovations to twenty one (21) Courthouses Islandwide  Sample taken: Eight(8) Courthouses	U.S.A.I.D./GOJ Funded	Overall 85% completed	1. Reviewed method of selection of contractors.	Contractors were selected from previously pre-qualified lists prepared by M.O.C.(W), U.D.C. and EDCO Ltd. The trend indicated that each contractor was chosen on the basis that he was located within close proximity to one of the courthouses to be renovated. List of contractors was submit- ted to U.S.A.I.D. on an ongoing basis for its approval. The agency's approval was hinged on the fact that the M.O.J. had declared the contractors to be qualified having established pre-qualification. Final approval was also based on the construction schedule for the project being "staggered" since the majority of the contractors were found to be in grades B and C of the M.O.C.(W) list with contrac- tual limits in the range \$0 - \$499,999. Because of this limit it was not possible for a contractor to do more than one (1) job at a time since most of the contracts had associated costs in the range above.  "Staggering" would cause a time delay in each contract and would thus allow each contractor the opportunity to complete one job and be able to tender on another. This also induced some amount of competitiveness.  No evidence of pre-qualification was found for 10% of the contractors submitted for U.S.A.I.D. approval. However, the M.O.J. indicated that for these contractors their



CONTRACTOR GENERAL'S OFFICE  
REVIEW OF WORK DONE TO 31.12.89

2

PUBLIC BODY	PROJECT DESCRIPTION	CONTRACT AMOUNT OR ESTIMATED COST	STATUS OF PROJECT	ACTION TO DATE	REMARKS
Ministry of Justice - cont'd -				1. Reviewed method of Selection of contractors - cont'd -	inclusion on the lists were based on satisfactory and proven track records. Three (3) of the contractors falling in this category were successful bidders.  Contractors common to both the M.O.C.(W) and U.D.C. lists had different contractual limits thus obscuring their true operating capacities. Additionally, grades A, B & C contractors were allowed to compete against each other in the actual tender exercise giving rise to the very uncompetitive and unresponsive situation where the lowest bids were generally geared towards profiteering. <u>This highlights the need for only the one list of Government contractors maintained by the M.O.C.(W).</u>
Ministry of Justice	Consultancy services in respect of Architecture, Engineering and Quantity Surveying  Consultants: (1) Doug Wright & Asso. (2) Alberga Graham Ja. (3) Kay Quinton (4) G.L.I. Fisher & Asso.			2. Monitoring the Engagement of Consultants	Only in respect of the Port Antonio, May Pen and Chapelton courthouse contracts did we uncover documentary evidence of a contractual arrangement for consultancy services. These courthouses formed part of a package for which G.L.I. Fisher & Asso. provided consultancy services, while assigning David Norris & Asso. as Quantity Surveyor. No documentary evidence of other contractual arrangements with consultants in respect of the other courthouse contracts monitored were seen, even after much persistence on our part.

3/...



CONTRACTOR GENERAL'S OFFICE  
REVIEW OF WORK DONE TO 31.12.89

3

PUBLIC BODY	PROJECT DESCRIPTION	CONTRACT AMOUNT OR ESTIMATED COST	STATUS OF PROJECT	ACTION TO DATE	REMARKS
Ministry of Justice - cont'd -	<p>C.J.I.P.-Renovations to the May Pen R.M. Courthouse, May Pen, Clarendon</p> <p>Contractor: B.M.S. General Cons. Co. Ltd.</p> <p>Consultants:</p> <p>Architect, Engineer - G.L.I. Fisher &amp; Asso.</p> <p>Quantity Surveyor - David Norris &amp; Asso.</p>	<p>Contract Sum \$458,594.55</p> <p>Final Cost \$436,001.79</p>	Completed	<p>a) Reviewed the method of Inviting, Return &amp; Opening of Tenders.</p> <p>b) Evaluation of Tenders and the Award.</p> <p>c) Examination of the Tender/ Contract Document.</p> <p>d) Monitored the Operations/ Performance of the contractor.</p>	<p>Selective Tendering Public Opening</p> <p>The evaluation had considered compliance with the instruction to tenderers and was based on the guidelines of awarding the contract to the most Responsive Tenderer which was supported by the G.C.C.</p> <p>This was of the Joint Consultative Committee (J.C.C.) standard and was sufficient for the proper administration of the contract.</p> <p>Contract period originally set at 3 months with actual construction starting date being 6th January, 1989.</p> <p>Our site visit on the 8th March, 1989, revealed an approximate percentage completion of 60. Further inspection on the 10th May, 1989, revealed that the project was 80% completed.</p> <p>Weekly progress report dated 18th November, 1989, indicated that there were still areas of work needed to be completed before Practical Completion could be achieved.</p> <p>It has been observed that the contractor in question has been awarded a certain number of Government contracts within the fiscal year 1989.</p>

CONTRACTOR GENERAL'S OFFICE  
REVIEW OF WORK DONE TO 31.12.89

4

PUBLIC BODY	PROJECT DESCRIPTION	CONTRACT AMOUNT OR ESTIMATED COST	STATUS OF PROJECT	ACTION TO DATE	REMARKS
Ministry of Justice - cont'd -	C.J.I.P.-Renovations to the May Pen R.M. Courthouse  - cont'd -	Contract Sum \$458,594.55  Final cost \$436,001.79	Completed	d) Monitored the Operations/ Performance of the contractor.  - cont'd -	Under the C.J.I.P. he has been awarded the Chapelton Courthouse contract in addition to the instant one. These contracts were supposed to run concurrent to each other. However, this was not the case. The contractor having too much work on hand, and being unable to mobilize a large enough workforce was tardy in completing the works within reasonable time.

5/...

CONTRACTOR GENERAL'S OFFICE  
REVIEW OF WORK DONE TO 31.12.89

5

PUBLIC BODY	PROJECT DESCRIPTION	CONTRACT AMOUNT OR ESTIMATED COST	STATUS OF PROJECT	ACTION TO DATE	REMARKS
Ministry of Justice - cont'd -	<p>C.J.I.P.-Renovations to the Chapelton R.M. Courthouse in Clarendon</p> <p>Contractor: B.M.S. General Cons. Co. Ltd.</p> <p>Consultants:</p> <p>Architect, Engineer - G.L.I. Fisher &amp; Asso.</p> <p>Quantity Surveyor - David Norris &amp; Asso.</p>	<p>Contract Sum \$188,186.50</p> <p>Final Cost \$179,900</p>	Completed	<p>a) Reviewed the method of Inviting, Return &amp; Opening of Tenders.</p> <p>b) Evaluation of Tenders and the Award.</p> <p>c) Examination of the Tender/ Contract Document.</p> <p>d) Monitored the Operations/ Performance of the contractor.</p>	<p>Selective Tendering Public Opening</p> <p>The evaluation had considered compliance with the instruction to tenders and was based on the guidelines of awarding the contract to the most Responsive Tenderer which was supported by the pertinent Minister.</p> <p>This was of the Joint Consultative Committee (J.C.C.) standard and was suitable for the proper administration of the contract.</p> <p>The contract period was originally two (2) months. The starting date was rescheduled several times owing to the inability of the contractor to mobilize a workforce which could be split proportionate to the various sites he was supposed to operate simultaneously. Practical completion inspection proposed for the 10th May, 1989. This has not been achieved even at October "89".</p>

CONTRACTOR GENERAL'S OFFICE  
REVIEW OF WORK DONE TO 31.12.89

6

PUBLIC BODY	PROJECT DESCRIPTION	CONTRACT AMOUNT OR ESTIMATED COST	STATUS OF PROJECT	ACTION TO DATE	REMARKS
Ministry of Justice - cont'd -	<p>C.J.I.P.-Renovations to the Supreme Court building</p> <p>Entitled "Contract # 2"</p> <p>Contractor: Lawrence Parsard Cons. Co. Ltd.</p> <p>Consultants:</p> <p>Architect -Kay Quinton</p> <p>Quantity Surveyor - Davidson &amp; Hanna</p>	<p>Contract Sum \$644,021.63</p> <p>Final Contract sum was \$1,396,856.13 indicating an excess of \$752,834.50 or 116.9% over the original contract sum.</p>	Completed	<p>a) Reviewed the method of Inviting, Return &amp; Opening of Tenders.</p> <p>b) Reviewed method of evalu- ating tenders and making the award.</p> <p>c) Examination of the Tender/ Contract Document.</p> <p>d) Monitored the Operations/ Performance of the contractor.</p>	<p>Selective Tendering Public Opening</p> <p>This evaluation was done in accordance with the guidelines of awarding the contract to the most Responsive Tenderer. The accepted tenderer was pre-qualified only at U.S.A.I.D.'s insistence and just prior to tendering was involved in work on the courthouse.</p> <p>Joint Consultative Committee (J.C.C.) standard document suitable for the proper administration of the contract.</p> <p>The main contract had been exceeded by approximately 116.9%. This was due to the variations (extra works) which were requested by the court authorities in addition to the special arrangements which had to be made for the contractor to work at special times in order not to disturb the normal proceedings of the courts. Hence, the contract period originally set at 5 months with completion date set at 15th Nov. 1988 had to be extended to June 1989.</p>

7/...

CONTRACTOR GENERAL'S OFFICE  
REVIEW OF WORK DONE TO 31.12.89

7

PUBLIC BODY	PROJECT DESCRIPTION	CONTRACT AMOUNT OR ESTIMATED COST	STATUS OF PROJECT	ACTION TO DATE	REMARKS
Ministry of Justice (Contd)	C.J.I.P. - Renovations to the Morant Bay R.M. Courthouse, St. Thomas.  Contractor: Roy Blake  Consultants: Alberga Graham Ja.	Contract sum \$498,000.00	65% completed as at 4th November, 1989	<p>Reviewed method of -</p> <p>(a) Inviting return and opening of tenders.</p> <p>(b) Evaluation of tenders and the award.</p> <p>(c) Examination of the tender/ contract document</p> <p>(d) Monitored the operations/ performance of the contractor.</p>	<p>Selective tendering Public opening</p> <p>The evaluation had considered compliance with the instructions to tenderers and was based on the guidelines of awarding the contract to the most responsive tenderer which was supported by the G.C.C.</p> <p>This was of the Joint Consultative Committee standard and was sufficient for the proper administration of the contract.</p> <p>Starting date was 4th January, 1989. Proposed completion date 3rd May, 1989. Contract time overrun was approximately seven (7) months at end of November 1989, with the job being only approximately 65% complete.</p>

CONTRACTOR GENERAL'S OFFICE  
REVIEW OF WORK DONE TO 31.12.89

8

PUBLIC BODY	PROJECT DESCRIPTION	CONTRACT AMOUNT OR ESTIMATED COST	STATUS OF PROJECT	ACTION TO DATE	REMARKS
Ministry of Justice (Contd.)	<p>C.J.I.P. - Supreme Court Grilling Contract. Installation of grills on the exterior of the ground floor in order to maximise the security of the courthouse.</p> <p>Contractors :</p> <p>(1) Diamond Iron Works</p> <p>(2) E. Ambersley</p> <p>(3) Supercast Construction Ltd</p>	<p>Contract sum: \$164,250.00</p> <p>\$ 66,500.00</p> <p>\$ 42,860.00</p> <p>\$ 54,890.00</p>	Completed	<p>Reviewed method of -</p> <p>(a) Inviting, return and opening of tenders.</p> <p>(b) Evaluation of tenders and the award.</p> <p>(c) Monitored the operations/ performance of the contractors.</p> <p>(d) Reviewed the method of selection of contractors.</p>	<p>Selective tendering Public opening</p> <p>The evaluation had considered compliance with the instructions to tenderers and was based on the guidelines of awarding the contract to the most responsive tenders.</p> <p>Contractors # 1 &amp; 3 were asked for further quotations on the rejection of their tenders. On receipt of these the M.O.J. apportioned the works on the basis that the contractor with the lowest bid price for each grill was allocated that grill with the effect that the actual costs were much lower than the original estimates.</p> <p>The works were completed satisfactorily.</p> <p>Selections were made from a list of approved contractors with the necessary expertise in the field of work.</p>



CONTRACTOR GENERAL'S OFFICE  
REVIEW OF WORK DONE TO

9

PUBLIC BODY	PROJECT DESCRIPTION	CONTRACT AMOUNT OR ESTIMATED COST	STATUS OF PROJECT	ACTION TO DATE	REMARKS
Ministry of Justice (Contd)	C.J.I.P. - Proposed renovations to Mandeville R.M. Courthouse, Manchester  Contractor: Garan-Tee Cons. Co. Ltd.  Consultants: Alberga Graham Ja.	Contract sum \$437,819.50. Exceeded by \$17,180.50 i.e. 6.21% of the original contract sum.	Completed	<p>Reviewed the method of -</p> <p>(a) Inviting, return and opening of tenders</p> <p>(b) Evaluation of tenders and the award</p> <p>(c) Examination of the tender/ contract document</p> <p>(d) Monitored the operations/ performance of the contractor.</p>	<p>Selective tendering Public opening</p> <p>This had considered compliance with the instructions to tenderers and was based on the guidelines of awarding the contract to the most responsive tenderer which was supported by the G.C.C.</p> <p>This was of the Joint Consultative Committee (J.C.C.) standard and was suitable for the proper administration of the contract.</p> <p>The article of agreement was signed on the 3rd February 1989 while the contractor had actually begun working on the 4th January, 1989. Hence during this period there was no binding contract between the parties concerned.</p> <p>Our site visit on the 24th April, 1989, revealed that the works were substantially completed. This was originally planned as a 3 months contract with the completion date set for 3rd April, 1989.</p>

10/...

CONTRACTOR GENERAL'S OFFICE  
REVIEW OF WORK DONE TO 31.12.89

10

PUBLIC BODY	PROJECT DESCRIPTION	CONTRACT AMOUNT OR ESTIMATED COST	STATUS OF PROJECT	ACTION TO DATE	REMARKS
Ministry of Justice - cont'd -	<p>C.J.I.P.-Renovations to the Port Antonio R.M. Courthouse, Portland</p> <p>Contractor: Perry's Cons. &amp; Draughting</p> <p>Consultants:</p> <p>Architect, Engineer - G.L.I. Fisher &amp; Asso.</p> <p>Quantity Surveyor - David Norris &amp; Asso.</p>	<p>Contract Sum \$236,429.50</p> <p>Exceeded by \$129,579.76 i.e. 54.81%</p>	Completed	<p>a) Reviewed the method of Inviting, Return &amp; Opening of Tenders.</p> <p>b) Evaluation of Tenders &amp; Award.</p> <p>c) Examination of Tender/ Contract Document.</p> <p>d) Monitored the Performance/ Operations of the contractor.</p>	<p>Selective Tendering Public Opening</p> <p>The evaluation had considered compliance with the instruction to tenderers and was based on the guidelines of awarding the contract to the most Responsive Tenderer which was supported by the pertinent Minister.</p> <p>This document was of the standard used by the M.O.C. (W) for building and civil engineering contracts and was suitable for the proper administration of the contract.</p> <p>This was originally a 3 months contract with site handing over date of 8th August, 1988. With the advent of hurricane "Gilbert" the courthouse suffered damages to the extent of 15% of the contract sum, and the progress of the work was severely hampered resulting in the Practical Completion Inspection being carried out on the 1st March, 1989.</p> <p>This revealed that the work was nearing completion with only final finishes to be done.</p> <p style="text-align: right;">11/...</p>

CONTRACTOR GENERAL'S OFFICE  
REVIEW OF WORK DONE TO 31.12.89

11

PUBLIC BODY	PROJECT DESCRIPTION	CONTRACT AMOUNT OR ESTIMATED COST	STATUS OF PROJECT	ACTION TO DATE	REMARKS
Ministry of Justice - cont'd-	<p>C.J.I.P.-Renovations to the Lucea R.M. Courthouse, Lucea, Hanover</p> <p>Contractor: Eric Leiba &amp; Associates Ltd.</p> <p>Consultants:</p> <p>Architect-Doug Wright &amp; Asso.</p> <p>Quantity Surveyor - Gordon, Barrett, Johnson</p>	<p>Contract Sum \$262,774.00</p> <p>Final Cost approximately \$359,000</p> <p>Completion of defects pending.</p>	95% Completed	<p>a) Reviewed method of Inviting, Return &amp; Opening of Tenders.</p> <p>b) Evaluation of Tenders and Award.</p> <p>c) Examination of the Tender/ Contract Document.</p> <p>d) Monitoring of the Operations/Performance of the contractor.</p>	<p>Selective Tendering Public Opening</p> <p>The evaluation had considered compliance with the instruction to tenderers and was based on the guidelines of awarding the contract to the most Responsive Tenderer which was supported by the G.C.C.</p> <p>This document contained no conditions of contract. However, reference to these as being the general conditions of Government contracts for building &amp; civil engineering works, were made in the document.</p> <p>Contract period originally set at 3 months with starting date being the 9th January, 1989.</p> <p>Site visit made on the 17.8.89 revealed numerous areas of unfinished work. Contractor absent from site and the contract only approximately 70% complete.</p> <p>The end result was that what was proposed as a 3 month contract prolonged for one (1) year.</p>

CONTRACTOR GENERAL'S OFFICE  
REVIEW OF WORK DONE TO 31.12.89

2

PUBLIC BODY	PROJECT DESCRIPTION	CONTRACT AMOUNT OR ESTIMATED COST	STATUS OF PROJECT	ACTION TO DATE	REMARKS																																										
PORT AUTHORITY OF JAMAICA	CONSTRUCTION OF BERTH 5 & 6 CRUISE SHIP PIER		(CONT'D)	Reviewed Estimated Final Cost	<table><tr><td>Contract Sum</td><td></td><td>\$15,873,749.89</td></tr><tr><td>Less Contingencies</td><td></td><td><u>1,697,500.00</u></td></tr><tr><td></td><td></td><td>\$14,176,249.89</td></tr><tr><td>Less Adjustment to P.C. Sum</td><td></td><td><u>1,170,000.00</u></td></tr><tr><td>Add Variations to Original Contract</td><td></td><td><u>\$13,006,249.89</u></td></tr><tr><td></td><td></td><td>5,388,483.00</td></tr><tr><td></td><td></td><td>\$18,394,732.89</td></tr><tr><td>Add Variation Additional</td><td></td><td><u>3,260,000.00</u></td></tr><tr><td></td><td></td><td>\$21,644,732.89</td></tr><tr><td colspan="3">Fluctuation</td></tr><tr><td>Labour</td><td>500,000</td><td></td></tr><tr><td>Material</td><td><u>700,000</u></td><td><u>1,200,000.00</u></td></tr><tr><td></td><td></td><td>\$22,844,732.89</td></tr><tr><td colspan="3">=====</td></tr></table>	Contract Sum		\$15,873,749.89	Less Contingencies		<u>1,697,500.00</u>			\$14,176,249.89	Less Adjustment to P.C. Sum		<u>1,170,000.00</u>	Add Variations to Original Contract		<u>\$13,006,249.89</u>			5,388,483.00			\$18,394,732.89	Add Variation Additional		<u>3,260,000.00</u>			\$21,644,732.89	Fluctuation			Labour	500,000		Material	<u>700,000</u>	<u>1,200,000.00</u>			\$22,844,732.89	=====		
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CONTRACTOR GENERAL'S OFFICE  
REVIEW OF WORK DONE TO 31.12.89

1

PUBLIC BODY	PROJECT DESCRIPTION	CONTRACT AMOUNT OR ESTIMATED COST	STATUS OF PROJECT	ACTION TO DATE	REMARKS
MINISTRY OF CONSTRUCTION (HOUSING) M.O.C. (H)	<p>COLLEEN COURT WEST KINGSTON</p> <p>Project consists of</p> <p>(a) Contract to construct 222 housing units (APARTMENTS) as 1st phase of a total of 1500 units to be constructed elsewhere.</p> <p>(b) Separate contract to construct infrastructure works for (a) above.</p> <p><u>Contractors:-</u></p> <p>for (a) Hampton Construction Company Ltd</p> <p>for (b) CAMP Construction Ltd</p>	<p>\$7 million (from local resources)</p> <p>Estimated Cost to completion is approx. \$23.00 million</p> <p>\$4.132 million (from local resources)</p>	<p>Completed</p> <p>Incomplete (contract terminated)</p>	<p>Preliminary investigation into alleged closure of completed housing units at Colleen Court West Kingston</p>	<p>The first indication of housing units at COLLEEN COURT completed and closed came to attention through an article in the Jamaica Record.</p> <p>In 1987, this office issued a circular requesting all "public bodies" involved with Government contracts for buildings, etc., to complete the circular setting out "works" being planned or in progress. The M.O.C (H) response did not include COLLEEN COURT Apartments. The opportunity was therefore taken to investigate the concerns of the article carried in the media.</p> <p><u>FINDINGS:</u></p> <ol style="list-style-type: none"> <li>1. The contract was negotiated by M.O.C. (H) with a firm Hampton Construction Company Ltd. The Company operated a systems method of construction for a low cost housing.</li> <li>2. The contract was prepared by the contractor in the form of an agreement to construct 1500 units of which the 1st phase was to be located at Colleen Court and other phases elsewhere.</li> <li>3. Hurricane Gilbert damaged houses in the surrounding area and those who suffered damages to their houses "captured" the completed units.</li> </ol>

2...

CONTRACTOR GENERAL'S OFFICE  
REVIEW OF WORK DONE TO 31.12.89

3

PUBLIC BODY	PROJECT DESCRIPTION	CONTRACT AMOUNT OR ESTIMATED COST	STATUS OF PROJECT	ACTION TO DATE	REMARKS
<p>MINISTRY OF CONSTRUCTION (HOUSING)</p> <p>M.O.C. (H)</p>	<p>COLLEEN COURT WEST KINGSTON</p> <p>(Continued)</p>	AS AT PAGE 1	AS AT PAGE 1	AS AT PAGE 1	<p>non-completion of the infrastructure works particularly the sewage disposal works. Arbitration is pending on this aspect of the project.</p> <p>This contract will be the subject of a formal enquiry and a special report will be sent to Parliament.</p>



CONTRACTOR GENERAL'S OFFICE  
REVIEW OF WORK DONE TO 31.12.89

2

PUBLIC BODY	PROJECT DESCRIPTION	CONTRACT AMOUNT OR ESTIMATED COST	STATUS OF PROJECT	ACTION TO DATE	REMARKS
MINISTRY OF CONSTRUCTION (HOUSING)  M.O.C. (H)	COLLEEN COURT WEST KINGSTON  (continued).	AS AT PAGE 1	AS AT PAGE 1	AS AT PAGE 1	<p>The Ministry of Housing, presumably on humanitarian grounds was sympathetic to this action.</p> <p>4. The contractor terminated the contract after the Ministry failed to provide additional sites for the construction of the remainder of 1500 units. He lodged a claim totalling \$13.5 million on the basis of a breach of contract by the Ministry.</p> <p>5. The M.O.C. (H) was forced to pay interest charges amounting to J\$2.62 million because of failure to pay interim certificates amounts at the time stated in the contract.</p> <p>6. A firm of consulting engineers was commissioned to supervise the construction phase of the project, in particular the contract for the infrastructure works - a separate contract negotiated with a contractor CAMP Construction Limited in the amount of \$4.132 million.</p> <p>Negotiations are at present being conducted with a contractor to complete the project.</p> <p>There was much confusion between the consultant and this contractor and the contract was determined. The completed units could not be occupied because of</p>

CONTRACTOR-GENERAL'S OFFICE

MONITORING OF POST-CONTRACT SERVICES : (MONITORING OF PRE-CONTRACT SERVICES ALREADY REPORTED ON 31.12.88)

REVIEW OF WORK DONE TO 31.12.89

1

PUBLIC BODY	PROJECT DESCRIPTION	CONTRACT AMOUNT OR ESTIMATED COST	STATUS OF PROJECT	ACTION TO DATE	REMARKS
OCHO RIOS COMMERCIAL CENTRE  (a subsidiary of U.D.C.)	Construction of Super-Market and Art Gallery in Ocho Rios  <u>1st Contractor:</u> W.G. Walters Construction Limited  Commencement of Contract: April 7, 1987  Extended Completion Date: February 29, 1988	Original Contract \$5.681 million  Revised by omission of Art Gallery	Completed      Contract terminated August 13, 1988	Reviewed:  Progress of Work & Final Account  (By Quantity Surveyor - Cairney Stoppi, Bloomfield)	W.G. Walters Construction Ltd' contract was terminated on the grounds that the contractor did not carry out his obligation of the contract diligently.  The final account for W.G. Walter's contract as under:-  Contract Sum \$5,681,160.64  Less Art Gallery: Bills of Quantities \$1,212,681.91 Estimate Prelims. 91,710.00 1,304,391.91 \$4,376,768.73  Less: Omission of P.C. and Provisional Sums 167,077.22 \$4,209,691.51  Variation Orders \$ 340,089.95 Less Contingency 200,000.00 140,089.95 \$ 4,349,781.46  Fluctuation Material \$ 170,000.00 Labour 210,000.00 380,000.00 \$4,729,781.46 =====
					The contractor has refused to sign the final account on the grounds that some items have not been accounted for, and he proposed to submit his version of the account. It could not be ascertained if this was done.  2....

CONTRACTOR-GENERAL'S OFFICE  
 MONITORING OF POST-CONTRACT SERVICES : (MONITORING OF PRE-CONTRACT SERVICES ALREADY REPORTED ON 31.12.88)  
 REVIEW OF WORK DONE TO 31.12.89

2

PUBLIC BODY	PROJECT DESCRIPTION	CONTRACT AMOUNT OR ESTIMATED COST	STATUS OF PROJECT	ACTION TO DATE	REMARKS
OCHO RIOS COMMERCIAL CENTRE - CONSTRUCTION OF SUPER-MARKET & ART GALLERY	New contract negotiated with B.K. Jackson	\$355,859.61	CONT'D  Completed April 1989	Reviewed Time Schedule   Payment Certificate	Contract overrun by a total of fourteen (14) months including the slack period between determination of W.G. Walters' contract and negotiation with B.K. Jackson  <u>Details of Payment</u>  Remedial Work to W.G. Walters' Contract \$120,501.09 Sub-contractor 3,900.00 Additional Work <u>231,458.52</u> \$355,859.61 =====
					Final Account based on Quantity Surveyor' Report W.G. Walters Construction \$4,729,781.46 B.K. Jackson <u>355,859.61</u> Completion Cost \$5,085,641.07 =====

CONTRACTOR GENERAL'S OFFICE  
REVIEW OF WORK DONE TO 31.12.89

1

PUBLIC BODY	PROJECT DESCRIPTION	CONTRACT AMOUNT OR ESTIMATED COST	STATUS OF PROJECT	ACTION TO DATE	REMARKS
PORT AUTHORITY OF JAMAICA	Construction of Berths 5 & 6. Cruise Ship Pier and New Terminal Building - Montego Freeport	Ja\$60 million partially financed by European Investment Bank	Project already reported in Annual Report 1988 as 43% completion to December 31, 1988	Reviewed:  Progress of work (site visit Dec. 1988)	Piling operations in progress and proceeding smoothly. Contractor obviously experienced in this field; well organised and equipped to undertake the work successfully. A comparison with the work programme show progress ahead of schedule.
	<p>PHASE II</p> <p>Installation of piling acquired under Phase I</p> <p>Commencement Date: May 18, 1988</p> <p>Contract Period: Fifteen (15) months</p> <p>Completion Date: August 18, 1989</p> <p><u>Contractor:</u> Dumez Travarex Publics (France)</p>	<p>Ja\$15.873 million</p> <p>Final Cost \$</p>	<p>Practical completion attained Dec. 12, 1989.</p> <p>Contract overrun due to variation orders.</p>	<p>Progress Since Last Visit</p>	<p>The contractor was then contracted to carry out a number of additional works such as:-</p> <ul style="list-style-type: none"> <li>a) paving areas around the new terminal building;</li> <li>b) installation of fuel oil lines and valve pits;</li> <li>c) dredging for the berthing of ships and construction of mooring facilities;</li> <li>d) additional marl fill which was delayed because of trucking operations resulting in intermittent closing of the site.</li> </ul> <p>At November 1989, the only major work which was incomplete was the dredging and some minor corrections to defective work.</p> <p style="text-align: right;">2....</p>

CONTRACTOR-GENERAL'S OFFICE

MONITORING OF POST-CONTRACT SERVICES : MONITORING OF PRE-CONTRACT SERVICES ALREADY REPORTED ON 31.12.88

REVIEW OF WORK DONE TO 31.12.89

1

PUBLIC BODY	PROJECT DESCRIPTION	CONTRACT AMOUNT OR ESTIMATED COST	STATUS OF PROJECT	ACTION TO DATE	REMARKS
Urban Development Corporation U.D.C.	<p>West Kingston Development Programme awarded into four Packages: ABCD</p> <p>Package "A" consists of:- (i) market for Haber- dashery, Oxford Mall South.</p> <p>(ii) New coal yard, rehabilitation of grass yard into improved accommodation</p> <p>(iii) Queen Square Open Market (Stalls- no roof over)</p> <p>Contractor: McGregor &amp; Levy Ltd.</p>	<p>\$170.5 million Total cost of packages ABC &amp;D Partially funded by I.A.D.B. in the amount of US\$22.1 million</p> <p>G.O.J. to provide US\$8.9 million</p> <p>\$12 million</p>	<p>All three sub-projects (i) (ii) (iii) completed on 13.5.88</p>	<p>Visited site on: (7.6.89). Work in progress on all sub-projects.</p>	<p>All major conditions of the contracts were complied with.</p> <p>The implementation of the contracts was under the supervision of a projects officer of the U.D.C. who was the de facto resident engineer.</p> <p>Quality of work was good. There was orderly working during the period considering that the environment in this area of Kingston is not conducive to orderly performance by contractors who are not welcome in the area.</p> <p>Estimated completion cost:- \$11,401,434.04</p> <p align="right">2/...</p>

CONTRACTOR GENERAL'S OFFICE  
REVIEW OF WORK DONE TO 31.12.89

2

PUBLIC BODY	PROJECT DESCRIPTION	CONTRACT AMOUNT OR ESTIMATED COST	STATUS OF PROJECT	ACTION TO DATE	REMARKS															
U.D.C.	West Kingston Development Programme (Package "A" contd.)  (iv) Chapel Lane Market Stalls (roofover)  (v) Coronation Market Admin. Building.  (vi) Kingston Pen Gully (upgrading).  (vii) Three toilet blocks (Coronation Market)  (viii) One toilet block (Queens Square Open Market).  Contractor: Construction Developers Associates	\$2.2 million  \$4.3 million  \$3.2 million  \$1.2 million  \$0.25 million	Completed 26.8.88  Completed 15.1.88  Completed 15.5.89  completed 30.6.88  Completed 4.11.88	Visited site on (7.6.89). Work in progress on all sub-projects.	All major conditions of the contracts were complied with.  The implementation of the contracts was under the supervision of a projects officer of the U.D.C. who was the de facto resident engineer.  Quality of work was good. There was orderly working during the period considering that the environment in this area of Kingston is not conducive to orderly performance by contractors who are not welcome in the area.  <table><tr><td>iv</td><td>Completion Cost</td><td>2,159,839.16</td></tr><tr><td>v</td><td>" "</td><td>4,682,286.32</td></tr><tr><td>vi</td><td>" "</td><td>3,047,856.27</td></tr><tr><td>vii</td><td>" "</td><td>1,337,609.31</td></tr><tr><td>viii</td><td>" "</td><td>276,764.75</td></tr></table>	iv	Completion Cost	2,159,839.16	v	" "	4,682,286.32	vi	" "	3,047,856.27	vii	" "	1,337,609.31	viii	" "	276,764.75
iv	Completion Cost	2,159,839.16																		
v	" "	4,682,286.32																		
vi	" "	3,047,856.27																		
vii	" "	1,337,609.31																		
viii	" "	276,764.75																		



CONTRACTOR GENERAL'S OFFICE  
REVIEW OF WORK DONE TO 31.12.89

1

PUBLIC BODY	PROJECT DESCRIPTION	CONTRACT AMOUNT OR ESTIMATED COST	STATUS OF PROJECT	ACTION TO DATE	REMARKS
MINISTRY OF HOUSING	Construction of 570 two and three bedroom units at Eltham in St Catherine referred to as Eltham Phase I  <u>Contractor:</u>  West Indies Home Contractors	Contract Amount \$50.445 million  Financed through commer- cial banking institution at 28% interest per annum	Completed	Formal enquiry held to clarify matters which seemed improper from preliminary investigation.	Special Report to Parliament submitted.

CONTRACTOR GENERAL'S OFFICE  
REVIEW OF WORK DONE TO 31.12.89

1

PUBLIC BODY	PROJECT DESCRIPTION	CONTRACT AMOUNT OR ESTIMATED COST	STATUS OF PROJECT	ACTION TO DATE	REMARKS
URBAN DEVELOPMENT CORPORATION (U.D.C.)	West Kingston Development Programme  Package "C1"  Construction of Hanover Street Low Level Trunk Sewage and Water Mains  Contractor: Solid Engineering Company Limited	J\$23.6 million  Partially financed by U.S. A.I.D.	Contract period: 78 weeks from 27.2.89  8.7% completed  Contract terminated by contractor following notice served on client.	Reviewed:-  (a) Pre-qualification of Contractors        (b) Tender Documents        (c) Opening of Tenders        (d) Award of Contract	Invitations to tender were published by the U.D.C. inviting interested contractors to submit completed pre-qualification forms. The instructions from the U.D.C. were that the pre-qualification forms were to be submitted with the tender documents and tender documents were then opened first and a short-list of these tenders which were eligible for opening was compiled.  The tender documents embodied the international conditions of contract agreement and bond. It was a satisfactory document for inviting tenders for a project of this magnitude.  Tenders were publicly opened. There were only three (3) tenders submitted and the contractors were in attendance at the opening.  The Contract was awarded to Solid Engineering Company Limited and was assessed on the basis that this tender was the lowest responsive one.  It was discovered that the contractor to whom this contract was awarded was listed in the 1989 Government Contracts Committee' list of pre-qualified contractors as Grade "C" Civil Engineering and for a project of this magnitude and cost, this contractor was not qualified.

CONTRACTOR-GENERAL'S OFFICE

MONITORING OF POST-CONTRACT SERVICES : MONITORING OF PRE-CONTRACT SERVICES ALREADY REPORTED ON 31.12.88

REVIEW OF WORK DONE TO 31.12.89

1

PUBLIC BODY	PROJECT DESCRIPTION	CONTRACT AMOUNT OR ESTIMATED COST	STATUS OF PROJECT	ACTION TO DATE	REMARKS
<p>Ministry of National Security (executing agency)</p> <p>Urban Development Corporation (U.D.C.) (implementing agency)</p>	<p>Construction of ten (10) man Police Station at Barrett Town - St. James</p> <p>Contractor: Robinson &amp; Robinson - Puerto Bello - Montego Bay</p> <p>Cont. signed 26.8.88 Cont. period 6 months Cont. overdue 11 months</p>	<p>J\$1.058 million</p>	<p>Contract awarded 22.8.88</p> <p>Date for completion 15.4.89</p> <p>90% completed</p>	<p>Visited site on 17.8.89 and work in progress.</p>	<p>The submission of all insurance certificates required by the conditions of the contract was compiled with and a performance bond was duly executed.</p> <p>An on the spot review of all other major conditions of the contract showed conformity with the stated requirements. However, progress of the construction has been slow from the very outset. The reasons were:-</p> <p>(a) the contractor's inability to excavate the rock within the time allowed in the programme. This activity has been found to be generally common among contractors of this grade.</p> <p>(b) some difficulty in the supply of materials e.g. cement, concrete blocks, reinforcing steel etc.;</p> <p>(c) delay in paying contractor's interim certificates by the U.D.C. resulting in financial problems to the contractor.</p>

CONTRACTOR GENERAL'S OFFICE  
REVIEW OF WORK DONE TO 31.12.89

1

PUBLIC BODY	PROJECT DESCRIPTION	CONTRACT AMOUNT OR ESTIMATED COST	STATUS OF PROJECT	ACTION TO DATE	REMARKS
Ministry of Public Utilities & Transport	Construction - Constant Spring Post Office  Contractor: Stresscon Ja. Ltd.	J\$2.5 million	Completed  Cont. signed 27.5.88  Cont. period 9 months  Cont. overrun 2 months	Reviewed:-  (a) Selection of Contractors  (b) Tender Document   (c) Award of Contract   (d) Work Progress	Contractors were selected by the Govt. Contracts Committee from a list of four (4) specialists in pre-fabricated system.  This document was the standard used by the Ministry of Construction "Works" for construction and civil engineering works and was satisfactory for the project under review.  Contract was negotiated by the Govt. Contracts Committee with the approval of Cabinet.  Contractor was well organised. Work programme adequately prepared and profes- sionally executed.  Completion Cost           \$4.6 million Contract overrun           \$2.1 million  due mainly to large scale variation orders and escalation in the cost of materials.

CONTRACTOR-GENERAL'S OFFICE

MONITORING OF POST-CONTRACT SERVICES : MONITORING OF PRE-CONTRACT SERVICES ALREADY REPORTED ON 31.12.88

REVIEW OF WORK DONE TO 31.12.89

1

PUBLIC BODY	PROJECT DESCRIPTION	CONTRACT AMOUNT OR ESTIMATED COST	STATUS OF PROJECT	ACTION TO DATE	REMARKS
Urban Development Corporation (U.D.C.)	Construction of two (2) vocational training schools at Lewisville in St. Elizabeth and Cascade in Hanover  Contractor: Both contracts originally awarded Formguard Construction Co. Ltd.	\$3.92 million for Lewisville and \$3.90 million for Cascade  Both contracts partially financed by Inter-American Development Bank (I.A.D.B.)	Both contracts were terminated when only 50% completed.  Contract for Lewisville re-awarded to Guaran-Tee Const. Co. Ltd. in the sum of \$4.679 million.  Date of award: 28.9.87 Contract Period:12 months Completion Date: 23.12.89  Contract for Cascade re-awarded Armour Metal Fencing Const. Co. Ltd. in the sum of \$4.567 million  Date of award: 10.11.87 Contract Period:12 months Date of Completion: 22.8.89  Both contracts now completed.	Reviewed reason for termination of both contracts and progress of construction.	No impropriety or irregularity was involved in the termination of these contracts.  The contractor was unable to finance the construction of both contracts and his performance deteriorated to the point where a termination of the contracts was the only course of action.  The root cause of this problem is the lack of judgement on behalf of U.D.C.'s technical officers in not ascertaining whether the contractor was financially viable before awarding both contracts.  Both has now been completed and is reported as satisfactory.  Lewisville Original Contract Amount \$3.92 m Estimated Final Cost 6.60 m Overrun \$2.68 m  Cascade Original Contract Sum \$3.90 m Estimated Final Cost 6.60 m Overrun \$ 2.70 m

CONTRACTOR-GENERAL'S OFFICE

MONITORING OF POST-CONTRACT SERVICES : MONITORING OF PRE-CONTRACT SERVICES ALREADY REPORTED ON 31.12.88

1

REVIEW OF WORK DONE TO 31.12.89

PUBLIC BODY	PROJECT DESCRIPTION	CONTRACT AMOUNT OR ESTIMATED COST	STATUS OF PROJECT	ACTION TO DATE	REMARKS
Ministry of Agriculture (executing agency)  Sugar Industry Housing Ltd. (implementing agency)	Construction of main post entry Plant Quarantine facility at Bodles Research Station (St. Catherine)  Contractor: Rebeck Engineering Company Ltd.	\$2.458 million  I.B.R.D. G.O.J.  Final comple- tion cost -	Completed  Cont. awarded 27.7.87 Cont. period 12 months Completed September 1989 Cont. overrun 12 months	Reviewed progress of construction.	The contractor managed to have complied with the major conditions of the contract. However, his progress during the construc- tion period was unsatisfactory and the contract should have been terminated. He was granted an extension of 10 months which was more than the original contract period. During successive visits to the site the main supervisor was absent and the workmen like "sheep without a shepherd".  This contractor should have been penalised by enforcing the liquidated damages clause. This action was, however, not taken.



CONTRACTOR GENERAL'S OFFICE  
REVIEW OF WORK DONE TO 31-12-89

1

PUBLIC BODY	PROJECT DESCRIPTION	CONTRACT AMOUNT OR ESTIMATED COST	STATUS OF PROJECT	ACTION TO DATE	REMARKS
<p>H.E.A.R.T. Trust (executing agency)</p> <p>Estate Development Company Ltd. (implementing agency)</p>	<p>Ebony Park H.E.A.R.T. Academy</p> <p>Contractor:</p> <p>Courage Construction Company Ltd.</p>	<p>Contract amount \$9.00 million</p> <p>Final cost \$18.5 million</p>	Completed	Formal enquiry held to clarify matters which seemed improper from preliminary investigations.	Special Report to Parliament submitted.

CONTRACTOR GENERAL'S OFFICE  
REVIEW OF WORK DONE TO 31.12.89

1

PUBLIC BODY	PROJECT DESCRIPTION	CONTRACT AMOUNT OR ESTIMATED COST	STATUS OF PROJECT	ACTION TO DATE	REMARKS
MINISTRY OF HEALTH  hereinafter referred to as M.O.H.	<p>BUFF BAY POLYCLINIC</p> <p>A health facility, parish of Portland. Project consists of</p> <p>(a) Repairs and renovation to existing facilities including upgrading of water, sewage and electrical systems</p> <p>(b) Provision of emergency electrical power.</p> <p><u>Contractor:</u> Nesco Construction Company Limited</p>	<p>\$1.8 million</p> <p>Funded by U.S. A.I.D. and G.O.J.</p>	Completed	<p>Reviewed:</p> <p>(a) Selection of Consultant</p> <p>(b) Selection of Contractors to Tender</p> <p>(c) Invitation to Tender, Opening of Tenders &amp; Award of Contracts</p>	<p>The selection of a consultant was in accordance with U.S. A.I.D. procedure. The procedure is detailed on page 1 - Restoration of Spanish Town Hospital. It is a requirement of U.S. A.I.D. that these procedures be observed pending the disburse- ment of loan funds.</p> <p>The list of contractors to tender was taken from the official list of contractors prepared by the Government Contracts Committee.</p> <p>Tenders were invited from three (3) contractors, but only two (2) responded. All tenders were to be delivered to the tender box at M.O.C. (W) for the attention of the G.C.C. The tenders were opened in the presence of the full Committee on the same day they were delivered. The Committee correctly disqualified the tender of one tenderer on the basis that the tender was completed in pencil-contrary to instructions. After an assessment of the only remaining tender the consultants recommended its acceptance. The G.C.C. supported the recommendation of the consultants that an award be made to Nesco Construction Company Limited and the contract was so awarded.</p> <p>This recommendation is faulty on the grounds that one tender is not competitive. What started as a competitive tender is now un-competitive and a decision cannot be fairly made. A re-invitation to tender or a competitive re-negotiation is the only solution</p>

ABBREVIATIONS: M.O.H.-Ministry of Health; M.O.C.(W)-Ministry of Construction (Works); G.C.C.-Government Contracts Committee

1

19.

CONTRACTOR-GENERAL'S OFFICE

MONITORING OF POST-CONTRACT SERVICES : MONITORING OF PRE-CONTRACT SERVICES ALREADY REPORTED ON 31.12.88

REVIEW OF WORK DONE TO 31.12.89

2

PUBLIC BODY	PROJECT DESCRIPTION	CONTRACT AMOUNT OR ESTIMATED COST	STATUS OF PROJECT	ACTION TO DATE	REMARKS														
	Primary School - Mineral Heights, Clarendon (contd)			<p>Extention of time, new contract period.</p> <p>Liquidated and ascertained damages.</p> <p>Payment Certificate # 5</p> <p>Progress Report</p>	<p>The contractor requested an extension of nine (9) months. The architect's (Roy Stephenson Associates) assessment after taking into consideration all of the factors on which the contractor based his claim recommended an extension of five (5) months in his letter to Edco. Subsequently extension of time granted for completion by March 12, 1989, with variable cost in favour of the contractor.</p> <p>The clause for liquidated and ascertained damages is clear and set at \$300 per day. The contractor failed to complete his assignment within the stipulated extended contract period and is liable under the conditions of the contract of default.</p> <p>At September 19, 1989, a total payment of \$1,753,336.87 was certified. A sum of \$20,000.00 has been arbitrarily deducted to be applied as liquidated damages from the net payment of the certificate.</p> <p>Details of Payment Certificate # 5:-</p> <table><tr><td>Preliminaries</td><td>\$150,600.00</td></tr><tr><td>Day Works</td><td>50,131.28</td></tr><tr><td>Builders Work</td><td>1,167,899.99</td></tr><tr><td>Variations</td><td>364,705.69</td></tr><tr><td>Fluctuation:</td><td></td></tr><tr><td>Materials</td><td>20,000.00</td></tr><tr><td></td><td><u>\$1,753,336.87</u></td></tr></table> <p>Practical completion is anticipated for January 1990.</p>	Preliminaries	\$150,600.00	Day Works	50,131.28	Builders Work	1,167,899.99	Variations	364,705.69	Fluctuation:		Materials	20,000.00		<u>\$1,753,336.87</u>
Preliminaries	\$150,600.00																		
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CONTRACTOR GENERAL'S OFFICE  
REVIEW OF WORK DONE TO 31.12.89

1

PUBLIC BODY	PROJECT DESCRIPTION	CONTRACT AMOUNT OR ESTIMATED COST	STATUS OF PROJECT	ACTION TO DATE	REMARKS
<p>NATIONAL WATER COMMISSION</p> <p>(Executing Agency)</p> <p>P.C.J. Engineering Limited</p> <p>(Implementing Agency)</p>	<p>Ocho Rios/St Ann's Bay Water Supply Project</p> <p>Contract:</p> <p>Treatment Plant Facilities and Intake Structures</p> <p><u>Contractor</u></p> <p>Caribbean Construction Company Limited</p>	<p>\$3.04 million</p>	<p>Completed</p>	<p>Reviewed:</p> <p>(a) Selection of Contractor Invitation to Tender Return &amp; Opening of Tenders</p>	<p>Ministry of Local Government approved list of four (4) contractors to tender. All four contractors were invited but two declined.</p> <p>There was a public opening of tenders but the record showed none of the contractors or their representatives present although they had in fact attended.</p> <p>The approval of a list of contractors to tender by the Minister of the appropriate public body is in accordance with Circular 43 of 1963 (a Ministry of Finance circular).</p> <p>However, experience has shown that an approved list by Ministers lack judgement in the selection of contractors to tender. The list is invariably inadequate either in the numbers of contractors or the inability of contractors to tender because of prior commitments. Hence, two contractors declining the invitation in the instant case.</p> <p>In order to secure an adequate spread of the competition for best result, at least six (6) contractors should be invited after ascertaining that they are interested in tendering.</p>

2....

PUBLIC BODY	PROJECT DESCRIPTION	CONTRACT AMOUNT OR ESTIMATED COST	STATUS OF PROJECT	ACTION TO DATE	REMARKS
NATIONAL WATER COMMISSION	OCHO RIOS/ST ANN'S BAY WATER SUPPLY PROJECT (CONT'D)			<p>(a) Selection of Contractors Invitation to Tender Return &amp; Opening of Tenders</p> <p>(b) Tender Document</p> <p>(c) Tender Evaluation Report</p> <p>(d) Progress Report</p>	<p>The process of selection may seem a simple one but a successful project depends largely on a judicious choice of contractors especially for projects which require technical skills for their satisfactory completion. This is a technical function and not a Minister's or other politician. The circular needs to be modified.</p> <p>The tender document was satisfactory for proper administration of the contract. The conditions of the contract were the international conditions by F.I.D.I.C. with supporting forms of agreement and bond.</p> <p>The evaluation of tenders was in accordance with standard procedure and an award was correctly made to the lowest responsive tenderer.</p> <p>The project was satisfactorily completed and within the contract period.</p> <p>Final Account pending.</p>

CONTRACTOR GENERAL'S OFFICE  
REVIEW OF WORK DONE TO 31.12.89

1

PUBLIC BODY	PROJECT DESCRIPTION	CONTRACT AMOUNT OR ESTIMATED COST	STATUS OF PROJECT	ACTION TO DATE	REMARKS
<p>NATIONAL WATER COMMISSION</p> <p>(Executing Agency)</p> <p>P.C.J. Engineering Limited</p> <p>(Implementing Agency)</p>	<p>Ocho Rios/St Ann's Bay Water Supply project</p> <p>Contract:</p> <p>Procurement of Pipes, Valves &amp; Fittings</p> <p>Contractor:</p> <p>Macsim Limited</p>	<p>Phase I \$58.0 million</p> <p>US\$1.628 million</p>	Completed	<p>Reviewed:</p> <p>(a) Selection of Contractors</p> <p>(b) Invitation to Tender Opening of Tenders &amp; Award of Contract</p>	<p>A list of suppliers was submitted through Carib Engineering Corporation with the approval of the Minister of Local Government. The National Water Commission, the client, and a technical client at that did not participate in the selection. The National Water Commission despite a decline in its technical staff is far more capable in selecting suppliers for its projects than the Ministry of Local Government, but then, the Ministry can defend this action under Circular 43 of 1963.</p> <p>Fifteen (15) firms (overseas suppliers) were invited to tender. Eleven (11) responded through local agents. There was a public opening of tenders but the record showed no evidence of representatives who attended.</p> <p>During the evaluation it was discovered that one tenderer quoted for ductile iron pipes instead of P.V.C. pipes as specified. The said tenderer also quoted on P.V.C. pipes in an alternative tender. This tender could have been rejected on the grounds of qualification of the tender. However, the assessors revised the specification to include ductile iron pipes and requested quotations from the four (4) lowest tenderers. The lowest tenderer was not a responsive one in that 'time of delivery' was a critical issue for an award and was so instructed in the tender document. The lowest tenderer's time of delivery was uncertain to meet critical needs of the project and the</p>

2....



CONTRACTOR GENERAL'S OFFICE  
REVIEW OF WORK DONE TO 31.12.89

2

PUBLIC BODY	PROJECT DESCRIPTION	CONTRACT AMOUNT OR ESTIMATED COST	STATUS OF PROJECT	ACTION TO DATE	REMARKS
NATIONAL WATER COMMISSION	OCHO RIOS/ST ANN'S BAY WATER SUPPLY PROJECT PROCUREMENT OF PIPES, VALVES & FITTINGS CONT'D				<p>assessors decided to award the contract to Maccim Limited which had offered positive delivery time although their offer was \$452.00 in excess of the lowest unresponsive tender.</p> <p>This action by the assessors is supported by the principles governing an award of a contract.</p> <p>The lowest tenderer Applied Engineering Limited complained to the Contractor-General that they were not awarded this contract on the grounds that their tender was the lowest. The details of the investigation and report are attached.</p>

CONTRACTOR GENERAL'S OFFICE  
REVIEW OF WORK DONE TO 31.12.89

1

PUBLIC BODY	PROJECT DESCRIPTION	CONTRACT AMOUNT OR ESTIMATED COST	STATUS OF PROJECT	ACTION TO DATE	REMARKS
<p>NATIONAL WATER COMMISSION</p> <p>(Executing Agency)</p> <p>P.C.J. Engineering Limited</p> <p>(Implementing Agency)</p>	<p>Ocho Rios/St Ann's Bay Water Supply Project</p> <p>Contract:</p> <p>Treatment Plant Supply &amp; Installation</p> <p>Contractor:</p> <p>Infilco Degremont Inc. Virginia, U.S.A.</p>	<p>US\$2.698 million</p>	<p>Completed (awaits pipeline for commissioning plant)</p>	<p>Reviewed:</p> <p>Selection of Contractor (Infilco Degremont Inc.)</p> <p>Examined:</p> <p>a) Conditions of Contract (Agreement)</p> <p>b) Performance Bond</p> <p>c) Installation Activities</p>	<p>The choice and selection of the contractor evidently influenced by a near similar treatment plant which the company installed in another location (Martha Brae). The company was highly recommended on the basis of their experience and familiarity with local conditions..</p> <p>The conditions of contract showed that a proposal drafted by the contractor resulted in an agreement after all areas of variances were settled between the contractor and the agency. Payment clause with option clearly defined. In essence the document appears to be satisfactory for proper administration and execution of the works.</p> <p>Performance bond equal to twenty percent (20%) of the contract acquired by the contractor under the terms and conditions of the contract.</p> <p>The activities were slightly delayed pending Government guarantee of payment. However, the installation activities achieved practical completion in the physical period of twenty-eight (28) weeks shown on the appended bar chart and now awaits the completion of the pipeline for commissioning the plant.</p> <p>Final Account pending.</p>

CONTRACTOR-GENERAL'S OFFICE

MONITORING OF POST-CONTRACT SERVICES : (MONITORING OF PRE-CONTRACT SERVICES ALREADY REPORTED ON 31.12.88)

REVIEW OF WORK DONE TO 31.12.89

2

PUBLIC BODY	PROJECT DESCRIPTION	CONTRACT AMOUNT OR ESTIMATED COST	STATUS OF PROJECT	ACTION TO DATE	REMARKS
NATIONAL WATER COMMISSION - OCHO RIOS	<p>RIOS/ST ANN'S BAY WATER SUPPLY PROJECT (CONT'D)</p> <p>c) Contract CS-04 Pipeline Bull Point to Ocho rios</p> <p>d) Contract CS-05 Treated Water Line from West Ocho Rios to Mansfield</p> <p>e) Contract CS-06 Treated Water Line from Mansfield to Coconut Grove and thence to White -River</p> <p><u>Contractor:</u> G &amp; L Engineering</p>	\$1.747 million	<p>Contract to be retendered</p> <p>Contract to be retendered</p> <p>Award pending</p>	<p>Reviewed:</p> <p>b) Tender Document</p> <p>c) Invitation to Tender Opening of Tenders Evaluation &amp; Award of Contract</p>	<p>The tender document catered for five (5) sections of pipeline arranged so that each section could be priced independently, and an offer made on the individual forms of tender. Each section or a number of them could ultimately be awarded to one contractor depending on the outcome of the evaluation processes. The conditions of the contract were the international conditions by F.I.D.I.C. and were common to all sections which would eventually become a contract.</p> <p>The sections were identified as CS-02 - CS-06 as indicated in the project description.</p> <p>The eleven (11) contractors selected were invited to tender. Nine (9) submitted their tender within the given time. However, all five sections were completed by eight (8) contractors; one completing three (3) of the sections. This was acceptable under the rules for tendering.</p> <p>The evaluation of the tenders and recommendation for an award by the consultants were as follows:-</p> <p>(1) A contract for sections CS-02 and CS-03 to be awarded to Solid Engineering Limited.</p>

CONTRACTOR-GENERAL'S OFFICE

MONITORING OF POST-CONTRACT SERVICES : MONITORING OF PRE-CONTRACT SERVICES ALREADY REPORTED ON 31.12.89)

REVIEW OF WORK DONE TO 31.12.89

3

PUBLIC BODY	PROJECT DESCRIPTION	CONTRACT AMOUNT OR ESTIMATED COST	STATUS OF PROJECT	ACTION TO DATE	REMARKS
NATIONAL WATER COMMISSION-	OCHO RIOS/ST ANN'S BAY		WATER SUPPLY PROJECT (CONT'D)	c) cont'd	<p>(2) As above for sections CS-04 and CS-05 to Hinds Bros. Ltd.</p> <p>(3) As above for sections CS-06 to G &amp; L Engineering Ltd.</p> <p>The recommendation of the consultant was not totally supported by the Government Contracts Committee. The Committee supported (1) and (3) above, but rejected (2) on the grounds that "Hinds Bros. Ltd had not completed any pipeline projects to date."</p> <p>The G.C.C. recommended that contracts CS-04 and CS-05 be retendered.</p> <p>Hinds Bros. Ltd on being advised that their tenders were rejected complained to the Contractor-General citing unfair treatment. The matter was investigated and a report is attached.</p>

CONTRACTOR GENERAL'S OFFICE  
REVIEW OF WORK DONE TO 31.12.89

2

PUBLIC BODY	PROJECT DESCRIPTION	CONTRACT AMOUNT OR ESTIMATED COST	STATUS OF PROJECT	ACTION TO DATE	REMARKS
U.D.C.	<p>Renovation: Ministry of Finance building including Annex &amp; Canteen</p> <p>Contractor: L.G. Mitchell Associates Ltd.</p>		<p>Renovation - M.O.F. building - cont'd -</p>	(d) Review progress of construction	<p>The contractor should have been penalised by applying the liquidated damages clause.</p> <p>Otherwise there was adherence to the terms of the contract and all major requirements for the employer's protection were complied with.</p>

CONTRACTOR-GENERAL'S OFFICE

MONITORING OF POST-CONTRACT SERVICES : (MONITORING OF PRE-CONTRACT SERVICES ALREADY REPORTED ON 31.12.88)

1

REVIEW OF WORK DONE TO 31.12.89

PUBLIC BODY	PROJECT DESCRIPTION	CONTRACT AMOUNT OR ESTIMATED COST	STATUS OF PROJECT	ACTION TO DATE	REMARKS
<p>NATIONAL WATER COMMISSION</p> <p>(Executing Agency)</p> <p>P.C.J. Engineering Limited</p> <p>(Implementing Agency)</p>	Ocho Rios/St Ann's Bay Water supply Project	<p>Phase I</p> <p>Estimated Total Cost</p> <p>\$58 million</p>		Reviewed:	<p>A list of eight (8) contractors compiled by the consultants-P.C.J. Engineering Ltd in association with Carib Engineering and the National Water Commission was submitted to the Ministry of Local Government (M.L.G.) and copied to the Bureau of Management Support of the Prime Minister's Office and National Water Commission (N.W.C.). The list was altered by the Bureau of Management Support by omitting the names of three (3) firms and adding four (4) others. The modified list was then sent to P.C.J. Engineering Ltd and copied to the Ministry of Local Government. There was a further addition of two (2) firms to the list now totalling eleven (11) firms to be invited to tender on all five (5) contracts or any number of them. They were designated CS-02; CS-03; CS-04; CS-05 and CS-06.</p> <p>The member of 'bodies' which was involved in the selection of contractors is clearly ridiculous and can only lead to confusion. The Minister of Local Government is the only person to whom a list is to be submitted - Circular 43 of 1963. The Bureau of Management Support is therefore an impostor in the scheme of things and could only have been politically motivated for such action. Its ignorance of such matters is demonstrated by the inclusion of a firm Hinds Bros. Ltd which had no record whatever of having installed a pipeline. This action was the root cause of an investigation-a report is attached.</p>
	<p>The following contracts are for the installation of pipes:-</p> <p>a) Contract CS-02 Pipeline Cane River to Bull Point</p> <p>Contractor: Solid Engineering Ltd</p>	\$1.294 million	Award pending	a) Selection of Contractors	
	<p>b) Contract CS-03 Pipeline Roaring River to Treatment Plant</p> <p>Contractor: Solid Engineering Ltd</p>	\$1.086 million	Award pending		

CONTRACTOR GENERAL'S OFFICE  
REVIEW OF WORK DONE TO 31.12.89

1

PUBLIC BODY	PROJECT DESCRIPTION	CONTRACT AMOUNT OR ESTIMATED COST	STATUS OF PROJECT	ACTION TO DATE	REMARKS
URBAN DEVELOPMENT CORPORATION (U.D.C.)	<p>Proposed Freezone Complex -Spanish Town</p> <p>Construction of site boundary wall and marl fill to accommodate 240,000 - sq ft of factory space.</p> <p><u>Contractor:</u> L.C. McKenzie Construction Limited</p>	<p>\$9.85 million</p> <p>Partially funded by Export Development Corporation of Canada</p>	<p>95% completed</p> <p>Contract negotiated and signed 7.3.88</p> <p>Contract period: 6 months</p> <p>Contract overrun 16 months</p>	<p>Reviewed: Progress of Construction</p> <p>Site visit on: 25.5.89 12.10.89</p>	<p>The contract period expired on the 6th September, 1988, and there are no indications that any serious activity was planned or in progress.</p> <p>The general impression is that the contractor's performance has been poor during the period even when the following factors are taken into account:</p> <ol style="list-style-type: none"> <li>1. Water logged conditions due to heavy rain which delayed the marl fill.</li> <li>2. Labour unrest resulting in a strike.</li> <li>3. Relocation of underground services.</li> <li>4. U.D.C's inability to pay the contractor's interim certificates on time has created financial problems for the contractor and work is at a standstill.</li> </ol> <p>Total amount paid Contractor \$6,687,266.45</p> <p>Payment outstanding \$1,686,362.21</p> <p>Arrangements being made with Ministry of Finance to honour payment certificates with a view of completing the project by April 1990.</p>



CONTRACTOR GENERAL'S OFFICE  
REVIEW OF WORK DONE TO 31.12.89

PUBLIC BODY	PROJECT DESCRIPTION	CONTRACT AMOUNT OR ESTIMATED COST	STATUS OF PROJECT	ACTION TO DATE	REMARKS
U.D.C. - WEST KINGSTON DEVELOPMENT PROGRAMME CONT'D	(ii) Trucks & Car Park	J\$1.1 million	Contract awarded 5.12.88 Date for completion 4.6.89 65% completed	Reviewed progress of work Visited site on 16.1.90	Work progress retarded by the slow removal of J.P.S. poles located on the construction site.
	Contractor: Construction Developers Associates				
	(iii) Open Market	J\$2.1 million	Contract awarded 7.11.88 Date for completion 6.5.89 10% completed	Reviewed progress of work	Construction delayed due to large scale variations which necessitates a new design to accommodate roofing.
	Contractor: Views Limited				
	(iv) New Chapel Lane	J\$2.2 million	Contract awarded 8.5.89 Date for completion 8.11.89 40% completed	Reviewed notice of termination to Solid Engineering Limited on both contracts (iv) and (v)	Termination notice served on contractor on 6.12.89 to furnish U.D.C. with new work programme and completion of certain works by 13.12.89. Failing the submission of the requests by U.D.C. the liquidated damages clause will be applied.
	Contractor: Solid Engineering Limited				

CONTRACTOR-GENERAL'S OFFICE

MONITORING OF POST-CONTRACT SERVICES : MONITORING OF PRE-CONTRACT SERVICES ALREADY REPORTED ON 31.12.88

1

REVIEW OF WORK DONE TO 31.12.89

PUBLIC BODY	PROJECT DESCRIPTION	CONTRACT AMOUNT OR ESTIMATED COST	STATUS OF PROJECT	ACTION TO DATE	REMARKS
Ministry of Education (executing agency)  Estate Development Company Ltd (implementing agency)	Construction of Primary School - Mineral Heights, Clarendon  Contractor: E.B. Singh & Sons	Revised contract figure \$2.724 million after mutual termination of Nesco Construction Services Ltd contract.  \$1,613 million negotiated to complete works.	Practical completion pending.	Reviewed - Contract period problems associated with the delay for completion of the project and the contractor's performance.	Contract period for completion of works June 11, 1988, to October 12, 1988 - 4 months. E.B. Singh & Sons inherited problems which plagued the site during the tenure of the former contractor. Other recorded events of delays are Hurricane Gilbert, rectification of defective work and shortages of materials associated with the passage of Hurricane Gilbert. Although mindful of the problems the major contributory factor which delayed the completion of the project was the non-application of the contractor to carry out the activities of the contract diligently. Clear evidence of the contractor's performance is recorded in monthly site minutes and progress reports by Edco's site representative.

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CONTRACTOR GENERAL'S OFFICE  
REVIEW OF WORK DONE TO 31.12.89

1

PUBLIC BODY	PROJECT DESCRIPTION	CONTRACT AMOUNT OR ESTIMATED COST	STATUS OF PROJECT	ACTION TO DATE	REMARKS
URBAN DEVELOPMENT CORPORATION (U.D.C.)	<p>West Kingston Development Programme</p> <p>Package "B" consists of:-</p> <p>(i) Oxford Mall North Queen's Mall and Coronation Square</p> <p>Contractor: Construction Developers Associates</p>	<p>J\$29.463 million</p> <p>Financed by I.A.D.B. &amp; G.O.J.</p> <p>J22.4 million</p>	<p>Contract awarded 7.11.88</p> <p>Date for completion 6.5.90</p> <p>15% completed</p>	<p>Reviewed:-</p> <p>(a) Pre-qualification of Contractors</p> <p>(b) Tender document</p> <p>(c) Tender Opening &amp; Evaluation of Tender</p>	<p>In accordance with I.A.D.B. requirements the project was advertised both locally and overseas, requesting interested contractors to prequalify. The interest from overseas was minimal although the packages were structured to attract overseas contractors.</p> <p>A list of local contractors was subsequently submitted to the Urban Development Corporation's Board for approval. In addition, I.A.D.B. approved certain requests for negotiation of contract.</p> <p>The procedure used for the selection of contractors may not be ideal but in cases where the lending agencies monitor these procedures it is more-or-less acceptable to proceed in this manner.</p> <p>These were always of a recognised standard and eventually became the legal instrument for the execution of the contract.</p> <p>The I.A.D.B. requires all tenders to be opened publicly. This procedure has been adhered.</p>

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CONTRACTOR GENERAL'S OFFICE  
REVIEW OF WORK DONE TO 31.12.89

1

PUBLIC BODY	PROJECT DESCRIPTION	CONTRACT AMOUNT OR ESTIMATED COST	STATUS OF PROJECT	ACTION TO DATE	REMARKS
<p>MINISTRY OF PUBLIC UTILITIES &amp; TRANSPORT</p> <p>(M.P.U.T.)</p> <p>Caribbean Engineering Corporation Ltd (Implementing Agency)</p>	Curatoe Hill Water Supply Scheme - Parish of Clarendon		Project being implemented See status of projects on pages following:-	Reviewed Method of:- a) Selection of Contractors	<p>In respect of C1, P1 and P2, the lists of contractors were compiled and approved in the Ministry of Local Government then submitted through Carib Engineering Corporation Ltd, to the Consulting Engineers for the invitations to tender. For the Electro/Mechanical (E/M-1) Contract, Carib Engineering compiled the list with the final approval coming from the Local Government Ministry. As indicated in the agreement between the Consulting Engineers and Carib Engineering, the Consulting Engineers were required to evaluate the contractors with a view to determining their capabilities to undertake one or the other of the construction contracts comprising the scheme. In none of the instances were the contractors evaluated with a view to ensuring this.</p> <p>There is substantial evidence of proof of the fact that the Member of Parliament (M.P.) for the area within which the project is located did have some influence on the selection of the contractors.</p> <p>The document was the International Federation of the Council of Engineers (F.I.D.I.C.-1977 Edition) standard. They were a fair representation of the scope of the work and were sufficient for the proper administration of the contracts.</p> <p style="text-align: right;">2....</p>
	Project divided into four (4) contracts:-				
	Contract C1	\$554,044	95% complete		
	Contract P1	\$776,890	95% complete		
	Contract P2	\$756,930	95% complete		
	Contract E/M1	<u>\$574,428</u>	70% complete		
		\$2,662,292			
		Financed from local resources		b) Tender Document	

CONTRACTOR GENERAL'S OFFICE  
REVIEW OF WORK DONE TO 31.12.89

2

PUBLIC BODY	PROJECT DESCRIPTION	CONTRACT AMOUNT OR ESTIMATED COST	STATUS OF PROJECT	ACTION TO DATE	REMARKS
MINISTRY OF PUBLIC UTILITIES & TRANSPORT	<p>CURATOE HILL WATER SUPPLY SCHEME (CONT'D)</p> <p>Contract-C1 Construction of 100,000 gallons reinforced concrete reservoir and associated pipeline totalling 1000 linear feet of 8 inches diameter Ductile Iron (D.I.) Pipes</p>	\$554,044	95% complete.	<p>Reviewed:-</p> <p>c) Invitation to Tender Opening of Tenders Evaluation &amp; Award of Contracts</p> <p>d)i) Progress of Work</p>	<p>Tenders were invited on a selective basis, i.e., contractors were selected from the list as already mentioned and invited to tender. Tenders were returned to Carib Engineering offices, opened and evaluated. The evaluation had considered compliance with the instruction to tenderers and was based on guidelines of awarding the contract to the mosr responsive tenderer which was supported by the Government Contracts Committee (G.C.C.) and a recommendation made to the Minister for an award. Consequently, Contract-C1 was awarded to G &amp; L Engineering Associates Ltd;</p> <p>Contract-P1 was awarded to Clarendon Electrical supplies &amp; Services Ltd;</p> <p>Contract-P2 was awarded to B.M.S. General Construction Co. Ltd; and</p> <p>Contract-E/M1 was awarded to Multi-Tec Engineering Services Ltd.</p> <p>Tenders were based on a six (6) months construction programme with a starting date of 6th April 1988 and a proposed completion date of 6th October 1988.</p> <p>Contract time overrun resulted in liquidated damages charges for 41 days at \$2,850 per day.</p> <p style="text-align: right;">3....</p>

CONTRACTOR GENERAL'S OFFICE  
REVIEW OF WORK DONE TO 31.12.89

3

PUBLIC BODY	PROJECT DESCRIPTION	CONTRACT AMOUNT OR ESTIMATED COST	STATUS OF PROJECT	ACTION TO DATE	REMARKS
MINISTRY OF PUBLIC UTILITIES & TRANSPORT - CURATOE HILL WATER SUPPLY SCHEME	<p><u>Contract-P1</u> Installation of 8350 linear feet of 8 inches diameter Ductile Iron (D.I.) Pipes and fittings.  The pipes were employer supplied.</p> <p><u>Contract-P2</u> This entailed the installation of:-</p> <p>a) 4700 linear feet of 6 inches Ductile Iron Pipes and Fittings;</p> <p>b) 1275 linear feet of 4 inches Ductile Iron Pipes and Fittings;</p> <p>c) 4800 linear feet of 4 inches Galvanised Steel Pipes and Fittings; and</p>	<p>\$776,890</p> <p>\$756,930</p>	<p>(CONT'D)</p> <p>95% complete</p> <p>95% complete</p>	<p>Reviewed:-</p> <p>d) ii) Progress of Work</p> <p>d) iii) Progress of Work</p>	<p>Contract-P1 was practically completed on the 3rd May, 1989 with the starting date being 10th October, 1988. This job was satisfactorily completed and is now in the maintenance period.</p> <p>This was originally a four (40 months) contract. Starting Date - September 12, 1988. Proposed Completion Date - June 26, 1989. Contract Time Overrun resulted in liquidated damages charges for 141 days at \$100 per day.  Extension time to be agreed in order to adjust liquidated damages charged.</p>



CONTRACTOR GENERAL'S OFFICE  
REVIEW OF WORK DONE TO 31.12.89

4

PUBLIC BODY	PROJECT DESCRIPTION	CONTRACT AMOUNT OR ESTIMATED COST	STATUS OF PROJECT	ACTION TO DATE	REMARKS
MINISTRY OF PUBLIC UTILITIES & TRANSPORT - CURATOE HILL WATER SUPPLY SCHEME	<u>Contract-P2 contd</u>  d) The Supply & Installation of a 20,000 Gallons Steel Tank & Associated Site Work	AS AT PAGE 3	AS AT PAGE 3	AS AT PAGE 3	AS AT PAGE 3
	<u>Contract-E/M1</u>  This involves the Supply of Switch Gear, Pumps & Labour for the Installation of an Extended Pumping System for the Entire Scheme	\$574,428	70% complete	Reviewed  d) iv) Progress of Work	Commencement date was the 14th September, 1989, i.e., 2½ months after the award was actually made.  Expected Completion Date at the end of February, 1990, will have to be extended to mid March 1990.  Contractor is performing satisfactorily.

CONTRACTOR GENERAL'S OFFICE  
REVIEW OF WORK DONE TO 31-12-89

1

PUBLIC BODY	PROJECT DESCRIPTION	CONTRACT AMOUNT OR ESTIMATED COST	STATUS OF PROJECT	ACTION TO DATE	REMARKS
Ministry of Construction (Housing)	Proposed Government Complex - Spanish Town: Consisting of -	Budgetary Estimate \$14.3 million	Bills of Quantities for skeletal works completed with cost to-date.	Investigate pre-contract activities.	As part of its cultural development plans to relocate Government offices now located in the Spanish Town square.
Estate Development Company Ltd. (contracting agency)	(a) Spanish Town Court House (b) Registrar General's Dept. (c) St. Catherine Parish Council & Regional Collectorate	Revised to \$24.9 million	Project put on hold - new Board of EDCO not in favour of location of the site. Awaiting decision of Cabinet.	<u>Reviewed</u> Available documents concerning: (i) site selection (ii) selection of consultant, service agreement & fees (iii) budgetary estimate (iv) loan agreement, fees and interest	The Government of Jamaica through the Ministry of Construction (Housing) decided to include a Government building complex in the Spanish Town Development Complex, originated by private investors in the Darling Pen area of Spanish Town.  Harold Morrison Associates (Architects) were appointed by the private interest to design the Spanish Town Development Complex. Subsequently, they were recommended by the Minister of Construction (Housing) for the Government complex in view of the desire to have the project integrated and be consistent in terms of architecture.  Government Contracts Committee submission received approval by Cabinet for EDCO - contracting agency, to negotiate architectural and Engineering Services with Harold Morrison Associates.
	Proposed Contractor:  Ashtrom Building Systems Ltd.				

CONTRACTOR GENERAL'S OFFICE  
REVIEW OF WORK DONE TO 31-12-89

2

Page 2

PUBLIC BODY	PROJECT DESCRIPTION	CONTRACT AMOUNT OR ESTIMATED COST	STATUS OF PROJECT	ACTION TO DATE	REMARKS
	<p>Estate Development Company Limited (Contracting Agency)</p> <p>Proposed Government Complex (continued)</p>				<p>The Service Agreement included all members of the consulting team with architect as team leader, consistent with standard practice.</p> <p>Fee proposal on the basis of construction cost using rates established by the various disciplines of the consulting team.</p> <p>Amount paid to Harold Morrison Associates to-date total \$1.9 million</p> <p>Original budgetary estimate of \$14.3 million had shortfall of \$5.5 million for external works - <u>a major component</u> of the project which was completely overlooked by contracting agency. A poor excuse considering the importance of "External Works" to any major development.</p> <p>G.O.J. guaranteed loans of \$10.0 million and \$5.0 million respectively from J.N.B.S. and V.M.B.S. to finance project, and diverted loans to contracting agency to avoid construction expenses through budget allocation which would impact on ceilings where limits imposed by the International Monetary Fund.</p> <p style="text-align: right;">3/...</p>

CONTRACTOR GENERAL'S OFFICE  
REVIEW OF WORK DONE TO 31-12-89

3

Page 3

PUBLIC BODY	PROJECT DESCRIPTION	CONTRACT AMOUNT OR ESTIMATED COST	STATUS OF PROJECT	ACTION TO DATE	REMARKS
	Estate Development Company Limited (Contracting Agency)  Proposed Government Complex  (continued)				<p>The Ministry of Finance has not been honouring its obligation regarding payments of the interest on the amounts drawn from V.M.B.S. loan. Continued delinquencies would mean that the cost of the loan will gradually increase over time.</p> <p>To-date, the Ministry of Finance has issued promissory notes in favour of V.M.B.S. totalling \$1,933,241.69.</p> <p>The contracting agency (EDCO) has advised that a submission is now before Parliament to put a hold on the project. In the mean-time interest charges are continuing for no good reason.</p>

CONTRACTOR GENERAL'S OFFICE  
REVIEW OF WORK DONE TO 31.12.89

1

PUBLIC BODY	PROJECT DESCRIPTION	CONTRACT AMOUNT OR ESTIMATED COST	STATUS OF PROJECT	ACTION TO DATE	REMARKS
Ministry of National Security	Construction of Police Forensic Laboratory  Contractor: Cameron Engineering Co.	\$4.3 million	75% complete  Cont. awarded 13.2.89  Cont. period 6 months  Cont. overrun 5 months	Reviewed:  (a) Selection of contractors for tendering    (b) Tender documents (used in tendering)    (c) Tender opening, evaluation & award          (d) Review progress of construction	Contractors were selected from a pre-qualified list prepared by the Govt. Contracts Committee. Only capable contractors of the particular grade were selected for tendering.  Tenders were invited using the tender documents which are reserved by the Ministry of Works for Govt. contracts. This document has outlived its time when compared with more modern models. However, it embodies enough safeguards to protect the employer.  Tenders were opened by the Govt. Contracts Committee (G.C.C.). All tender opening by this Body are private as distinct from a public opening. A public opening is of course more desirable as it give tenderers an opportunity to satisfy themselves that all is above board.  The evaluation and award was impartial and on merit to Cameron Engineering Co. which was the lowest responsive tender.  There was no violation of the terms of the contract during construction. Major requirements of the conditions of the contract such as -  a) insurance of the works; public liability etc. were complied with; and

CONTRACTOR GENERAL'S OFFICE  
REVIEW OF WORK DONE TO

2

PUBLIC BODY	PROJECT DESCRIPTION	CONTRACT AMOUNT OR ESTIMATED COST	STATUS OF PROJECT	ACTION TO DATE	REMARKS
Ministry of National Security	Construction of Police Forensic Laboratory - cont'd -			(d) Review progress of construction	b) a performance bond to guarantee the contractors successful comple- tion of the contract was provided and tendered at the signing of the contract.  Work is proceeding satisfactorily and from all indications should be completed by March 1990.

CONTRACTOR-GENERAL'S OFFICE

MONITORING OF POST-CONTRACT SERVICES : MONITORING OF PRE-CONTRACT SERVICES ALREADY REPORTED ON 31.12.88

REVIEW OF WORK DONE TO 31.12.89

1

PUBLIC BODY	PROJECT DESCRIPTION	CONTRACT AMOUNT OR ESTIMATED COST	STATUS OF PROJECT	ACTION TO DATE	REMARKS
MINISTRY OF HEALTH (M.O.H.)	CENTRAL PUBLIC HEALTH LABORATORY  A five storey building of reinforced concrete including all necessary mechanical and electrical installations	\$17.2 million  Funded by a grant from E.E.C. *	Under construction. Contract overrun by six (6) months at date of this report. Completion scheduled for June 1990.	Continue Evaluation of tenders and award of contract  (See report 31.12.88)	<p>Of the three (3) tenders received, one was rejected because the contractor did not submit a tender bond as instructed. The consultant, however, evaluated this rejected tender for reasons known only to himself. Messrs Makash Goshine's tender of \$18.8 million was the lowest, but as a strict budget of only \$17.2 million (from the E.E.C.) could not be overrun (as no other funds were available) the G.C.C. recommended that all tenders be rejected and the tender negotiated with the lowest tenderer i.e., Nakash Goshine. This contractor on being advised of a negotiation withdrew his tender and advised the M.O.H. that Eric Fong Yee engineering Limited the higher tenderer was prepared to negotiate a contract for \$17,2 million if the structural regime of the building was changed to suit his particular type of construction. The G.C.C. agreed to the proposal by Eric Fong Yee Engineering and recommended an award to this firm. The Cabinet approved and the contract was awarded to Eric Fong Yee Engineering Ltd.</p> <p>The decision to reject all tenders and negotiate with the lowest tenderer had given the lowest tenderer the opportunity to opt out of the tendering process without surrendering his tender bond. Clearly, the contractor was not interested in the project negotiating down from \$18.8 million to \$17.2 million.</p> <p align="right">2/...</p>



CONTRACTOR-GENERAL'S OFFICE

MONITORING OF POST-CONTRACT SERVICES : MONITORING OF PRE-CONTRACT SERVICES ALREADY REPORTED ON 31.12.88

REVIEW OF WORK DONE TO 31.12.89

2.

PUBLIC BODY	PROJECT DESCRIPTION	CONTRACT AMOUNT OR ESTIMATED COST	STATUS OF PROJECT	ACTION TO DATE	REMARKS
MINISTRY OF HEALTH  (M.O.H.)	AS AT PAGE 1	AS AT PAGE 1	AS AT PAGE 1	AS AT PAGE 1	This problem could have been avoided if the list of six (6) contractors had not been reduced to three (3) by the politician. For a project of this magnitude a minimum of six (6) contractors to tender would have provided more scope for a satisfactory tender.

CONTRACTOR-GENERAL'S OFFICE

MONITORING OF POST-CONTRACT SERVICES : MONITORING OF PRE-CONTRACT SERVICES ALREADY REPORTED ON 31.12.88

REVIEW OF WORK DONE TO 31.12.89

1

PUBLIC BODY	PROJECT DESCRIPTION	CONTRACT AMOUNT OR ESTIMATED COST	STATUS OF PROJECT	ACTION TO DATE	REMARKS
<p>H.E.A.R.T. Trust (Executing agency)</p> <p>Ministry of Education (implementing agency)</p>	<p>Proposed extension to Herbert Morrison Comprehensive High School - Montego Bay</p> <p>Contractor: Violet Construction Company Ltd</p> <p>Work commenced: October 20, 1988</p> <p>Contract period: Ten (10) months</p> <p>Contract overrun: Three (3) months to date of last review November 1989</p>	\$2.3 million	70% completed September 1989.	<p>Reviewed -</p> <p>(a) Contractor's operation on-site visit</p> <p>(b) Documents available for inspection.</p>	<p>Contractor's facilities in place and work in progress without any evidence of problems.</p> <p>No evidence of Performance Bond or relevant Insurances to protect the interest of the client.</p> <p>Contractor made several promises to forward these securities to the client but there is apparently no indication that the securities have been procured from any financial institution and are in the contractor's possession.</p> <p>The responsibility for accepting a bond or insurance guarantee relating to a contract in this way, and the adequacy of the terms and provisions rests with the employer (Ministry of Education). The contractor has failed to honour his obligation and the Ministry has not taken any action in regard to the contract and claims which might possibly arise from its execution.</p> <p>Due to financial constraints the Ministry defaulted to honour payment to the contractor on two (2) occasions, resulting in the suspension and reduction of building activities which will necessitate extension of time. The extension of time claimed by the contractor is outstanding, pending the assessment by the Ministry.</p>

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CONTRACTOR-GENERAL'S OFFICE

MONITORING OF POST-CONTRACT SERVICES : MONITORING OF PRE-CONTRACT SERVICES ALREADY REPORTED ON 31.12.88

REVIEW OF WORK DONE TO 31.12.89

PUBLIC BODY	PROJECT DESCRIPTION	CONTRACT AMOUNT OR ESTIMATED COST	STATUS OF PROJECT	ACTION TO DATE	REMARKS
	Proposed extension to Herbert Morrison Comprehensive High School - Montego Bay (Contd)			c)Progress Report and Payment Certificate.	The progress report showed that the project was 70% complete in September 1989. and the gross payment the contractor received on Certificate # 11 dated November 24, 1989, amounts to \$1,864,999.63.

CONTRACTOR GENERAL'S OFFICE  
REVIEW OF WORK DONE TO 31.12.89

1

PUBLIC BODY	PROJECT DESCRIPTION	CONTRACT AMOUNT OR ESTIMATED COST	STATUS OF PROJECT	ACTION TO DATE	REMARKS
MINISTRY OF JUSTICE	<p>C.J.I.P. - Renovation to the Black River Resident Magistrate Courthouse, Black River St Elizabeth</p> <p><u>Contractor:</u> Carl Johnson Construction Company Limited</p> <p><u>Consultants:</u> Alberga Graham Jamaica</p>	<p>Contract Sum \$302,345</p> <p>U.S. A.I.D./ G.O.J. Funding</p> <p>Last Payment Certificate d/d 16.8.89 indicate value of work executed then as \$175,000</p>	65% complete	<p>Reviewed:</p> <p>a) Invitation, Return &amp; Opening of Tenders</p> <p>b) The Evaluation of Tenders &amp; Award</p> <p>c) Examination of Tender/ Contract Document</p>	<p>This was a wholly selective process where the employer, Ministry of Justice submitted a list of contractors to the consultants requesting that these were the firms that should be asked to tender. Letters of invitation were subsequently sent to each of the contractors by the consultant with the tender period being three (3) weeks. Tenders were returned on the stipulated date and time.</p> <p>Tenders were opened publicly at the Ministry of Justice shortly after the deadline for their return.</p> <p>The evaluation had considered compliance with the instructions to tenderers and was based on the guidelines of awarding to the most responsive tenderer which was supported by the Government Contracts Committee.</p> <p>The document was of the Joint Consultative Committee (J.C.C.) standard and was sufficient for the proper administration of the contract. This document was signed approximately one (1) month after the contractor began working on the site with the corresponding dates being 7th February, 1989 and 3rd January 1989 respectively. Hence there was no binding contract between the parties concerned for the first month of the renovations.</p> <p style="text-align: right;">2....</p>

CONTRACTOR GENERAL'S OFFICE

REVIEW OF WORK DONE TO 31.12.89

2

PUBLIC BODY	PROJECT DESCRIPTION	CONTRACT AMOUNT OR ESTIMATED COST	STATUS OF PROJECT	ACTION TO DATE	REMARKS
MINISTRY OF JUSTICE	C.J.I.P. - RENOVATION TO BLACK RIVER R.M. COURTHOUSE		(CONT'D)	d) Monitored the Operations/ Performance of the Contractor	<p>Our site visit on the 26th April, 1989, revealed tht the works were progressing at a moderate rate and was approximately 60% complete.</p> <p>Expenditure as at August 1989, indicated that payments were approximately 58% of the contract sum then and was proportionate to works executed.</p>

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CONTRACTOR GENERAL'S OFFICE  
REVIEW OF WORK DONE TO 31.12.89

2.

PUBLIC BODY	PROJECT DESCRIPTION	CONTRACT AMOUNT OR ESTIMATED COST	STATUS OF PROJECT	ACTION TO DATE	REMARKS
MINISTRY OF HEALTH  (M.O.H.)	AS AT PAGE 1	AS AT PAGE 1	AS AT PAGE 1	Reviewed:  (c) Progress of Works	Construction commenced in July 1989. There is a given contract period of eight (8) months which expires in March 1990.  The progress is however slow and there is every indication that there will be an overrun on the completion date.



CONTRACTOR GENERAL'S OFFICE  
REVIEW OF WORK DONE TO 31.12.89

1

PUBLIC BODY	PROJECT DESCRIPTION	CONTRACT AMOUNT OR ESTIMATED COST	STATUS OF PROJECT	ACTION TO DATE	REMARKS
<p>NATIONAL WATER COMMISSION</p> <p>(Executing Agency)</p> <p>P.C.J. Engineering Limited</p> <p>(Implementing Agency)</p>	<p>Ocho Rios/St Ann's Bay Water Supply Project</p> <p>Contract:</p> <p>Clearwell Storage Tank Ja\$4.562 2 Million Gallon million</p> <p>(Post Tensioned Structure)</p> <p>Contractor:</p> <p>Courage Construction Limited</p>		Award pending	<p>Reviewed:</p> <p>a) Selection of Contractors Invitation to Tender Return &amp; Opening of Tenders</p> <p>b) Tender Document</p> <p>c) Tender Bond</p> <p>d) Tender Evaluation Report</p>	<p>Ministry of Local Government approved list of four (4) contractors to tender. Two (2) contractors responded although three (3) collected tender document.</p> <p>The record of a public opening of the tenders showed that none of the contractors or their representatives were in attendance.</p> <p>The tender document was satisfactory for proper administration of the contract. The conditions of the contract were the International Conditions by F.I.D.I.C. with supporting forms of agreement and bond.</p> <p>Tender Bonds equal to ten percent (10%) of the tenders submitted were recorded in the Tender Evaluation Report.</p> <p>During the evaluation the consultant commented that the lowest tenderer quoted a longer period than that stated for execution of the works, and makes comparison of the tenders difficult. The other tenderer scheduling of the activities over the given period did not appear to be realistic, and the method of construction would result in the lengthening of the construction period. Both tenders were rejected on the grounds of their total cost and a recommendation to negotiate the contract with the lowest tenderer never materialised.</p> <p style="text-align: right;">2....</p>

PUBLIC BODY	PROJECT DESCRIPTION	CONTRACT AMOUNT OR ESTIMATED COST	STATUS OF PROJECT	ACTION TO DATE	REMARKS
NATIONAL WATER	COMMISSION - OCHO RIOS/ST ANN'S BAY WATER SUPPLY PROJECT		(CONT'D)	<p>Retendering List of Contractors</p> <p>Alternative Bid</p> <p>Tender Evaluation Report</p>	<p>The project was subsequently retendered after six (6) contractors were selected including the original tenderer who submitted the lowest tender in the first instance. Ministry of Public Utilities &amp; Transport approved the selectees on the list.</p> <p>An alternative bid was also requested by exclusion of the cost for supplying post-tension cables.</p> <p>The record of a public opening of the tender showed that only three (3) firms responded and two (2) firms declined to submit tender due to limited resources and other commitments.</p> <p>The evaluation of the tenders was in accordance with standard procedure and the recommendation by the consultant for award of the contract to the lowest responsive tenderer submitting the alternative tender.</p> <p>Government Contracts Committee to examine report and submit recommendation.</p>